Consumers Attitudes towards Fast Food Restaurants in Greece: An Investigation of Store Image, Satisfaction and Loyalty

By

SPYRIDON MAMALIS

THESIS SUBMITTED FOR THE DEGREE OF

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TO

THE UNIVERSITY OF NEWCASTLE UPON TYNE

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Declaration:

No portion of this work refereed to in this thesis has been submitted in support of an application for any other degree or qualification from this or any other University or Institute of learning

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ABSTRACT

This study deals with the investigation of store image for fast food restaurants in Greece. Understanding factors that influence consumer behaviour is of critical importance for marketing managers of the restaurants under investigation. Image has had a long history in the study of marketing, and as a concept, is one of the cornerstones of consumer behaviour theory.

The first research objective was to develop a customized store image scale for fast food restaurants in order to identify key image dimensions and their relative importance in determining consumer choice. An eight-stage process, based on Churchill's (1979), model, guided the development, validation and refinement of the scale. The primary instrument was developed from an extensive literature review and qualitative research. A quantitative survey with a sample of three hundred participants, followed. A seven-factor, 24-item measure was extracted from the purification process. The psychometric properties of the scale were re-evaluated through a second stage analysis with new data collected for the study. The final structure of the scale included six factors consisting of 14 items. The factors were labelled as: a) Adaptation to Locality b) Service c) Facilities d) Food quality e) Place to be and g) Sales incentive program. The scale's reliability, content and criterion validity was established. The construct validity of the scale was evaluated using a number of multivariate methods. The results showed that the scale has adequate construct validity.

Much of the work in the marketing area emphasises the implications of image for purchasing behaviour. So, the next stage of the study was the exploration of the complex relationship between perceived store image satisfaction and loyalty using structural equation modelling. The results show that there is both a direct and indirect relationship between store image and loyalty whereby satisfaction acts as mediator.

The knowledge and understanding of the underlying factors of store image would be a great help both for academic and commercial reasons. Moreover, the investigation of the complex relationship between store image customer satisfaction and loyalty would be a key tool for strategic marketing planning and implementation.

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Sas eyxaristo gia ola.

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LIST OF ABBREVIATION

AGFI	Adjusted Goodness of Fit Index
AIC	Akaike's Information Criterion
CAIC	Consistent Akaike Information Criterion
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
GFI	Goodness of Fit Index
MLE	Maximum Likelihood Estimation
NFI	Normed Fit Index
NNFI	Non Normed Fit Index
PFI	Parsimony Fit Index
RMR	Root Mean Square Residual
RMSEA	Root Mean Square Error of Approximation
SEM	Structural Equation Modeling
TLI	Tucker-Lewis Index

Chapter 1

Introduction

1.1. Introduction

Market is the continuation of war in a period of peace (Klauzevits, 19th century). Nowadays, markets are a field of war and you have to move quickly and smartly if you want to survive.

The Marketing concept holds that the key to achieve organizational goals consists of determining the needs and wants of markets and delivering the desired satisfactions more effectively and efficiently than competitors (Kotler, 1997 p.19).

As the world of business is moving more rapidly than ever, knowledge and understanding of the underlying factors that shape consumer needs and wants would be of great importance, both for academic and commercial reasons. Moreover, the deeper investigation of the concepts would be a key tool for strategic marketing planning and implementation.

1.2 Store image

Perceived store image has been an important tool for the identification of consumer needs and wants in the retailing industry. Ever since Martineau (1958) suggested that a retail outlet has a personality, store image has received a great deal of attention in retailing research. Generally, there are two major approaches to describe store image: The first one describes store image as an overall impression (Dicther, 1985; Oxenfeldt, 1974-75; Kunkell and Berry, 1968) whilst, the second approach describes store image as a set of attributes (Steenkamp and Wedel, 1991; Zimmer and Golden, 1988; Hawkins *et al.* 75-76).

Although no precise and universally accepted definition of the concept exists, store image can be defined, for research needs, as an overall attitude towards the store based upon consumers perceptions of revealed store attributes (Steenkamp and Wedel, 1991; Doyle and Fenwick, 1974-75).

Literature in retailing has addressed two key issues concerning store image. Research has traditionally focused on the conceptualisation of retail image and identification of its underlying dimensions (Malhotra, 1983) and the examination of the relationship between the measured store image and store choice (Bloemer and Ruyte, 1998; Osman, 1993; Majursky and Jacoby, 1986).

The main purpose of measuring store image is identifying a retail store's market position comparing attributes such as: Merchandise, assortment, atmosphere, location, service, facilities, style, pleasantness of shopping, promotion and price (Majursky and

Jacoby, 1986; Pessemier, 1980; James *et al.* 1976; Lindquist, 1974-75). Barich and Kotler (1991) argue that a company needs to identify its image strengths and weaknesses on key attributes in relation to other stores and take corrective action to better its image. To that end, image is not an absolute or static measure, it must be compared to the image of competing firms (Gaston le Blanc, 1995).

Down and Haynes (1984) suggested that store image as an isolated concept, has limited value unless it is related to other concepts with practical value for the marketing manager of a store, such as perceived satisfaction or store loyalty. Osman (1993) argued that patronage behavior towards a store is dependent on image of that particular store. In that case store image becomes meaningful from a strategic viewpoint. Thus, store image can be an important aspect of fast-food marketing (Ball, 1993).

1.3 The fast food market

Fast food is a worldwide phenomenon with more people than ever consuming fast-food products both in their own country and abroad. Fast food has been defined in a number of ways, however a common definition or interpretation has not being universally accepted (Ball, 1992). Unfortunately there is a lack of an official government description of fast food and fast food industry. Reports from ICAP (1999) and Key Note (1999) describe the sector as one that offers 'standardized menus, speed of service, relatively low prices, preparation on site and mainly chain operated'. Additional features include food that can be eaten off the premises, eaten without cutlery, sold in disposable packaging and with limited product durability.

Fast food restaurants cater to patrons who generally order at a cashier or select items from a food bar and pay in advance. The latter includes the main branded fast foods, such as burgers, pizzas, and chicken, as well as the traditional Greek takeaways that include souvlaki, mpougatsa (pies) and sandwiches, along with other ethnic foods mainly Italian, Chinese and Indian. In contrast, restaurants or lunchrooms are defined as those preparing and serving a broad menu in moderate or upscale prices to customers for consumption within the premises. Food order is taken after the customers have seated and is served by a waiter or waitress. Customers usually pay after they eat (Rowe, 1996).

Fast food operations are well-established features in the Greek market. For example, the traditional[1] 'Gyros and Souvlaki' shop exists for well over a century. However, the expression 'fast food' has only really come to prominence in Greece since the late 70's when the first fast food chain (Goody's) was introduced. A fast food revolution has occurred in Greece since the early 80's as the fast food chains[2] -with the aid of franchising- have rapidly expanded their operation throughout the country and have undermined the position of the traditional fast food operations. Today, fast food operations comprise a significant sector of food services industry.

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[1] The traditional fast food concepts include pies and souvlaki shops, toast and sandwich bars operations. These are mostly owned by individuals and run as small single units. Traditional fast food concept tend to rely on traditional and fairly labor-intensive on-site food preparation and presentation.

[2] Fast food chains are designed around systems of catering which have been linked to manufacturing production lines with the design and layout of the restaurants, the scheduling of work and procedures of work etc., being systematically planned to produce consistently standardised products. Menus are simple and traditionally limited; standardised personnel are also typical. These new style fast food operations are high tech operations usually requiring high capital investment in very sophisticated food storage and production, point of sale and control equipment. High costs are also incurred through the provision of an integrated product from staff uniforms to the design and decoration of interiors. Marketing, and particularly advertising, figures greatly as high profile activities (West, 1992).

For the purposes of this thesis the main focus will be on the modern fast food operations consisting of branded fast food chains. More particular, research will focus on a subdivision of this category, the burger fast food segment.

The fast food market has enjoyed a steady growth (approximately 24%) during the last decade (ICAP, 1999). Fast food sales have reached more than half a billion Euro in 2003. Fast food industry has benefited from the moves towards more informal eating patterns and the increasing need for simple, convenient food. That need arises form the fact that more women are now working and in most families both parents are working full time, constraining the amount of time that can be spent on cooking traditional family meals.

The largest sector of the fast food market is the burger fast food chains accounting for an estimated of 70% of the total sales in the fast food industry (ICAP, 1999). Its share of total restaurant sales has increased steadily over the last few years (ICAP, 1999). In 1999 particularly, there were over 202 burger outlets in Greece and the two largest chains, (Goody's and McDonald's), accounted for about 86% of this total. Goody's has over two thirds of all the outlets and has been increasing its market share through store expansion in recent years. In terms of market share, the sector is effectively dominated by those two major brands. With nearly five times more outlets than its nearest rival, the Greek owned chain 'Goody's' is the clear leader of the market with about 70% of all sales. McDonald's hold the second place with approximately 15% of sales, while in third and fourth place are Wendy's and Hambo, with 7% and 5%, respectively. Table 1.1 illustrates the market shares, retail establishments and number of employees in the major burger fast food chains in 1999.

Table 1.1 Market Shares, Retail Establishments, and Number of Employees in 1999

Fast food restaurant chains	Market Share	Number of Stores	Number of Employees
Goody's	70%	135	4500
McDonald's	15%	38	1060
Wendy's	7%	14	n.a.
Hambo	5%	15	510

Source: ICAP, 1999

1.4 Reasons for research

From the point of view of marketing management, as the chains continue to expand they need to acquire new knowledge and a greater understanding of the fast food business and the environment, in which they operate. Without this knowledge and understanding, the chains, will have great difficulty meeting the various challenges, which lie ahead.

Main issues associated with the marketing of fast food restaurants in Greece, as presented previously, include:

a) The significant expansion of the fast food burger restaurant sector.

b) The growing pressure at the top end of the market where only two chains have dominant role.

c) The dominant role in the market of the Greek owned chain, Goody's.

d) The failure of global chains like McDonald's and Wendy's to gain a substantial market share in Greece.

e) The changes in consumer attitudes together with the efforts from the fast food industry to develop new concepts, brands and products.

The development of the fast food burger restaurant sector will depend largely on the response of consumers towards the issues raised above and the ability of fast food industry to understand and address consumer's attitudes with appropriate marketing mix. A critical question for marketers is "how a given store image affect consumer's decision making process''. An understanding of the underlying store image dimensions and their importance in predicting store patronage in conjunction with an exploration of the way that consumers judge and evaluate store image attributes, will be a valuable tool in designing and implementing marketing strategies to attract and maintain customers.

In the above context, this study attempts to investigate how Greeks perceive the concept of store image in the burger fast food restaurant sector. To our knowledge, there has not been any research regarding store image of fast food restaurant sector in Greece. However, our research involved only the exploration of the area of Thessaloniki City and hence results could be considered as representative of that particular part of the country.

Thessaloniki[3] is the second largest city in Greece with a population of about one million inhabitants. Thessaloniki was chosen as a case study to facilitate thorough analysis of store image issues in fast food restaurants market for a number of reasons. First, the city has a distinctive cuisine tradition representative of the northern part of

[3] A more detailed analysis of the city of Thessaloniki will be presented in chapter six.

Greece. Second, there is a fast food tradition as most of the traditional fast foods (Gyradika and mpougatsa shops) originate from northern Greece. Moreover, the first modern fast food chain (Goody's) started its operation from Thessaloniki, almost twenty-five years ago. Proportionally, there exist more fast food outlets per resident in Thessaloniki than in Athens (ICAP, 1999). During the time when the present research was conducted there were 31 Goody's and 5 Mc Donald's outlets operating in Thessaloniki. It should be noted here that neither Hambo nor Wendy's or KFC were operating that year in the City of Thessaloniki.

1.5 Previous research

To our knowledge, there is no previous research for investigating store image in the fast food restaurant industry in Greece; the only studies available, is sector studies or general market reports (ICAP, 1999; IOVE, 1999; National Statistical Services, 1999).

Surprisingly, no specific research on store image of fast food restaurants was found in the hospitality and marketing journals. The first author who investigated consumer attitudes towards fast food restaurants was Downey in 1977. Since then, researchers have not paid attention to the fast food restaurant industry. In recent years, a handful of researchers studied perceived service quality in the fast food industry, conducting comparatives studies between USA -where the concept of fast food originated – Thailand and Korea (Chaipopirutana, 1998; Lee and Ulgado, 1997) or they applied the SERVQUAL instrument to measure service quality performance (Heung *et al.* 2000; Stevens *et al.* 1995; Bojanic and Rosen 1994). Other researchers have conducted studies of consumer satisfaction/dissatisfaction, expectations and emotions in the fast food restaurant setting (Bloemer and Ruyter, 1999; Jhonson and Mathews, 1993; Cadotte *et al.* 1987).

Also, store image studies in the restaurant literature are hard to find. The only available study is Chui's (1995) comparative study among seven restaurants. Most of the restaurant industry studies have focused on measuring consumer satisfaction or dissatisfaction with service provided in a restaurant (Sun, 1995), self-image store image congruity (Wang, 1990), or customer's expectation factors in restaurants (Soriano, 2002).

Moreover, remarkably little has been written on consumer choice in a hospitality industry context and there is even less on consumer loyalty (Clarke and Wood, 1998). The small amount of literature on this subject has focused on research methods that seek to elicit the role of key variables in the choice of restaurant and segment the restaurant market based on consumer choice (Clarke and Wood, 1998; Auty, 1992).

1.6 Research objectives

From the brief literature review it is obvious that there has been no previous experience in applying a store image model to fast food restaurants in Greece, therefore, measurement tools, specific to the product and the market, are not extant. Bearing all this in mind, the first research objective is to **develop a customised store**

image scale for fast food restaurants in order to identify key image dimensions and their relative importance in determining consumer choice.

As suggested by Zahoric and Rust (1992), there is a need for more quantitatively driven empirical research in the area of specific, implementable recommendations for managers. Yet in the present environment of increased competition, with rapid market entry of new store concepts and formats, the managerial challenge of increasing store loyalty also presents the research challenge of a more in-depth understanding and an empirical estimation of this important type of consumer behaviour (Bloemer and Ruyter, 1998). As firms begin to measure both customer satisfaction and customer loyalty more completely, specific actions can be recommended that will optimise managers' investment in improved service (Hallowell, 1996).

Customers' patronage behaviour towards a particular store is dependent on their image of that particular store (Osman, 1993). The more favourable the store image, the higher the valency of the store to the customer. However, the exact relationship between store image and store loyalty has remained inconclusive. There is both evidence for a direct relationship and an indirect relationship whereby store satisfaction acts as a mediator (Doyle and Fenwick, 1974; Houston and Nevin, 1981; Lindquist, 1974; Stanley and Sewall, 1976).

So, the next objective in the present research will be **the exploration of the complex relationship between perceived store image satisfaction and loyalty.**

1.7 Research goal

The intent is not to study every aspect of the Greek fast food sector but, only, to study the store image concept and its relationship to satisfaction and loyalty. Thus, the goal of this dissertation is:

To investigate the store image for fast food restaurants in Greece

In the author's opinion the current developments in the Greek market for fast-food restaurants indicate that a marketing perspective should be adopted for the present dissertation. Additionally, it was felt that a descriptive study of fast food patrons and their general attitudes about fast food restaurants would not be enough, especially when intensive competition exists.

The knowledge and understanding of the underlying factors of store image would be a great help both for academic and commercial reasons. Moreover, the investigation of the complex relationship between store image customer satisfaction and loyalty would be a key tool for strategic marketing planning and implementation.

Therefore, the researcher's effort will focus on the investigation of:

i) The factors that constitute store image;

ii) The relative importance of each one;

iii) The relationship between store image loyalty and satisfaction;

iv) And how this knowledge can help marketers to compete effectively in a market.

In doing so the aim is:

i) To fill a gap in the relevant literature;

ii) To enable other researchers, both commercial and academic, to use this study in their efforts to search other aspects of the store image concept or the fast food restaurant sector as well; and

iii) To foster an understanding of the Greek fast food sector and the general restaurant and hospitality industry, that is undergoing rapid change.

1.7 Organization of the study

This thesis comprises twelve chapters. Organization of the research program can be readily understood by referring to the chapter summaries below.

Chapter 1: Introduction

In this introductory chapter the reasons for investigating store image in the fast food market are discussed. Research objectives and organization of the thesis are also presented.

Chapter 2: Literature Review

A review of literature related to the concepts under investigation is presented.

Chapter 3: Qualitative research

A literature review on the main method for eliciting items for purification and generating hypotheses is presented.

Chapter 4: Focus group results

In this chapter, the results of the focus group series are presented. Moreover, wording and general views of consumers regarding fast food industry and store image dimensions are discussed. Hypotheses are generated and research questions specified.

Chapter 5: Developing a research instrument

The methodology for developing a customised store image scale is discussed. The need for a market specific instrument is identified and the first stage of the quantitative research is described. Purification of the instrument is presented. Iteration process provided an instrument for second stage purification research.

Chapter 6: Developing the questionnaire

The development of the final stage research questionnaire is discussed. Moreover, the research approach for the administration of the questionnaire is presented.

Chapter 7: Second stage results

The results of the second stage research are discussed. The purified instrument is presented. The iteration process for developing a customized instrument to measure perceived store image for fast food restaurants in the Greek market is described.

Chapter 8: Validating the instrument

In this chapter instrument validity is established using a series of statistical methods. Regression, factor and confirmatory factor analysis using structural equation modeling are employed in order to validate the purified instrument.

Chapter 9: Exploring the relationship between store image, customer satisfaction and loyalty

In this chapter the relationship between concepts under investigation is discussed. Using canonical correlation analysis the relationships between store image and loyalty, as well as store image and satisfaction are established. Using structural equation modeling, the complex relationship between store image and loyalty is explored with satisfaction acting as a mediator in the relationship.

Chapter 10: Discussion of the research results

Research findings are discussed. The scale dimensions and their relative importance are presented and finally, the research findings are compared with previous similar studies.

Chapter 11 Conclusions, limitations and proposals for further research

Practical and marketing implications are discussed in this chapter. Furthermore, limitations, and suggestions for further research are also included.

Chapter 12 Personal thoughts

In this short chapter final comments about the thesis and personal thoughts of the researcher will be presented.

1.8 Epilogue

Retailers are anxious to find new marketing strategies to attract and hold customers. The marketing's job is to convert societal needs and wants into profitable opportunities (Kotler, 1997). Store image concept is becoming an important tool for developing effective marketing strategies. The development of a customised instrument to measure store image effects will be the research objective. Moreover, the complex relationship between store image, satisfaction and loyalty will be investigated. The next chapter provides the theoretical framework for the concepts under investigation.

CHAPTER 2

Store Image

2.1 Introduction

The purpose of this chapter is to review the literature related to the constructs under investigation. Therefore, the discussion of the store image concept, through an examination of previous theoretical and empirical researches will be presented in the following paragraphs. Moreover, a store image conceptualisation in the context of the present research will be discussed. Finally, a brief literature review focused on satisfaction and loyalty concepts will also be presented.

2.2 Store image definition

The image of a store consists of the way it is perceived by the consumers (Zimmer and Golden, 1988). Store image is a concept that has been recognized for many years and a fair amount of academic and practitioner research has been conducted on this issue. Early in the development of the store image concept, the image a retail store possessed in the minds of consumers was assumed to consist of all the knowledge and beliefs about the store resulting from the consumers' experiences or impressions (Peterson and Kerin, 1983).

The original idea that a store possesses an image can be traced back in the marketing literature to Martineau's (1958) classic article, "The personality of the retail store''. He defined store image as:

> "The way in which a store is defined in a shopper's mind partly by its functional qualities and partly by an aura of psychological attributes"'.

Based on this definition, Sirgy *et al.* (1989) suggested that store image concept could be analysed in terms of two separate criteria: functional and symbolic. ''Functional qualities refer to tangible characteristics such as store location, store layout, price ranges, and other qualities that can be easily measured and the consumer can somewhat objectively compare to competitors. These functional attributes serve other psychological and biological goals which consumers selectively and differentially approach and/or avoid (Wang, 1990). Symbolic store image refers to the stereotypic personality images people may have of specific retail stores and include psychological attributes such as friendliness of store personnel, sense of belonging, or attractiveness of decor (Mazursky and Jacoby,. 1986).

Arons in 1961 defined store image as:

> "a complex of meanings and relationships serving to characterize the store for people".

Arons (1961) implies the existence of different dimensions in store image evaluation.

Brokaw (1990), took a more cognitive approach and defined image as:

> "a mental representation of what an entity is and what it offers".

Finally, other scholars defined store image as an attitude. Steenkamp and Wedel (1991) defined store image as:

> "an attitude, which is based on the perceptions of relevant store attributes".

2.3 Store image conceptualisation

Generally, there are two major approaches to describe store image. The first one, describes store image as an overall impression whilst, the second approach describes store image as a set of attributes.

Oxenfeldt (1974-75) provides a description of image as an overall impression, which unthinkingly arises, is idiosyncratic, influenced by the receiver's own stereotypes, may be positive or negative and when it is formed, perseveres. He characterized store image:

> "as an overall picture, that is more than the sum of the parts".

Previously, Arons (1961) proposed a more global view, whereas, Kunkel and Berry (1968), defined image as "the total conceptualised or expected reinforcement". Later, Dichter (1985) wrote, that image is a global or overall impression made on the minds of customers, adopting the overall composite view of store images. He suggested that store image:

> "describes not individual traits or qualities, but the total impression an entity makes on the minds of others...an image is not anchored in just objective data

and details. It is the configuration of the whole field of the object" (Dichter, 1985 p. 76).

Reardon *et al.* (1995) argued that the definition of a store image as a global impression makes it difficult for both retailers and researchers to apply the construct in practice.

In contrast, other definitions attempting to represent store image conceptually have treated it as consisting of distinct dimensions, elements, components, or attributes (Zimmer and Golden, 1988; Hawkins *et al.* 75-76). In this view consumers evaluate attributes each time they encountered without consideration of the other attributes and the combination of the evaluations form the overall image (Keaveney and Hunt, 1992). In the literature this process is referred to as a piecemeal processing.

Mac Innis and Price (1987) suggested that, image is the result of a cognitive process. Mazursky and Jacoby (1986) conceptualised image as cognitions or affects inferred from perceptions of a store, symbolizing how an individual views a store. Further researchers have emphasized of store image's anthropomorphic and emotional nature (Keaveney and Hunt, 1993). Moreover, Oxenfeldt (74-75), suggested that consumers have feelings toward the store.

Store image has been also conceptualised as an attitude. Doyle and Fenwick (1974-75) suggested that:

> "the term store image is used interchangeably with attitude toward the store to describe the overall impression a consumer has of it".

Walters (1978), defined image as "the subjective attitude the consumer takes toward the business institution as a functioning entity". Mazursky and Jacoby (1986) supported the view that it is not clear how store image and attitude, differ from each other. Moreover, Engel *et al.* (1986) defined store image as "one type of attitude, measured across a number of dimensions hopefully reflecting salient attributes''.

To sum up, store image has been defined, as a set of attitudes based upon evaluation of those store attributes deemed important by consumers (James *et al.* 1976). However, Hirschman (1979) expressed the view that store image results form the acquisition of knowledge, as it is perceived, relative to other stores and in accordance with or consumer's cognitive framework. Moreover, McGoldrick (1990) suggested that perceived store image would be subject not only to the sector under investigation, but also, to the business environment and finally, subject to the consumer profile. The perceived store image is a complex construct and subject to the knowledge and experiences of consumers.

Rosenbloom (1983), reviewing store image definitions and conceptualisations indicated four points of commonality between them. The first one is that store image is a complex phenomenon, as it consists of many factors. Secondly, store image is comprised of either tangible or functional dimensions and intangible or psychological dimensions. Store image consists of the way it is perceived by the consumers and finally, store image is not static but dynamic in nature as both consumer perceptions and environment change over time.

To conclude, Engel, Blackwell and Miniard (1986) pointed out that:

"the concept of store image has been defined in various ways but no one has ever improved significantly on Martineau's idea of store personality: ''The way in which a store is defined in a shopper's mind partly by its functional qualities and partly by an aura of psychological attributes'' (p.489).

2.4 Dimensions of store image

Research so far, aimed at identifying elements of retail image abounds. Much of this research has been directed at uncovering the key factors that contribute to the development of image (West, 1992).

Consumers perceive stores on a number of dimensions, which collectively make up store image (Hirschman *et al.* 1978). It is true that an image is made up of many different things, some measurable, some not measurable, some significant, some insignificant, some changeable and some unchangeable (May, 1973).

Researchers have ascribed more specific meaning to the terms attributes components and dimensions. For example, attributes are the narrowest, most specific construct, components are the aggregation of similar attributes and dimensions are the most general construct.

Knowledge of what dimensions comprise the image is valuable input to management basic information about its business (Chui, 1995). Numerous attempts have been made to delineate the dimensions upon which store image should be studied.

However, no consensus has been reached on a set of universal image dimensions (Amirani and Gates, 1993).

The number of dimensions is uncertain. Although virtually all store image studies employed lists of ten or more attributes, research indicates that the number of beliefs salient for an individual normally ranges from five to nine.

Typically, in retail image studies the number of characteristics depends upon the creativity of the author, ranging from as few as six to as many as forty-two (Marks, 1976). Martineau, as early as in 1958 was the first to propose four specific dimensions of store image; symbols and colour, layout and architecture, advertising, and sales personnel.

Oxenfeldt (1974-75) proposed a classification of store image into three categories: tangible reality factors, intangible but genuine substance benefits, and fantasies. Table 2.1 describes the quality of each category.

Table 2.1 Classification of Store Image Attributes, (Oxenfeldt, 1974-75)

Tangible Reality Factors	**Intangible**	**Fantasies**
Quality	Friendliness	The best people there
Breadth of Assortment	Pleasurerlness	Known to be the best store
Depth	Familiarity	You will meet fascinating people when you shop
Minimum out of stocks	Trust	
Currency of styling	Helpfulness	
Quick special orders	Ego-Satisfaction	
Credit	Cleanliness	
Speedy checkout		
Enough sales help		
Easy return /repair		

Subsequently, Lindquist (1974-75) summarized the published results of 21 studies and identified 35 different aspects supposedly operating in store image formation. These were grouped into the following nine independent sets, which are presented in the following table (Table 2.2)

Table 2.2 Summary of Previous Studies Results (Lindquist, 1974-75).

Merchandise	Quality, selection of assortment, styling or fashion, guarantees, and pricing.
Service	Service in general, sales clerk, the presence of self service, the ease of merchandise return, delivery service, and the credit policies of the store.
Clientele	Social class appeals, self-image congruence, and store personnel.
Physical facilities	Elevators, lighting, air conditioning rooms, store layout, aisle placement and width, carpeting, and general architecture.
Convenience	General convenience, location convenience, and parking.
Promotion	Advertising and displays, trading stamps, and symbols and colours.
Store Atmosphere	Attributes that contribute the customer's feeling of warmth acceptance, or ease conveyed of the store.
Institutional factors	Conservative versus modern image projected by the store, reputation, and reliability.
Post transaction Satisfaction	Consumer satisfaction with merchandise and the store's policies on returns and adjustments.

In addition, Mazursky and Jacoby (1986) identified seven basic image facets, namely: Merchandise quality, merchandise pricing, store atmosphere, merchandise assortment, sales clerk service, service in general and location convenience.

Wu and Petroshious (1987) used thirteen attributes in their study to measure store image, namely: Atmosphere, layout, known brands, product quality, product variety, service, clerks dressing, clerk's knowledge, helpful sales clerk, informative advertising, upper class customers, prestige and pleasantness of shopping.

Rearden *et al.* (1995) have developed a measurement scale for store image measurement. The derived dimensions were Merchandise, Atmosphere, Value, Service, Clientele and Convenience.

In Darley and Lim (1999), store image was measured on six statements. "Store is clean and well maintained", "store clerks are helpful", "is a pleasant place to shop", "store hours are convenient", "store clerk are courteous", and "items are easy to find".

Burt and Encinas (1999) introduced a new dimension, labelling the 'character' of the store. Other dimensions employed in their study were the 'physical characteristics', 'pricing policy', 'product range', 'customer service' and 'store reputation'.

Hirscman *et al.* (1978) suggested that "the major dimensions underlying store Image are not consistent from market to market". Empirical support exists for the contention that the importance of store image attributes varies across store type (Amirani and Gates, 1993). Case histories reported by Martineau (1958) and May (1973) illustrated vividly that a generalized view of attribute importance may offer little insight into how consumers may react to a specific competitive situation (Mc Goldrick, 1998).

Thus, a retailer should determine what the major dimensions are within each market the store is operating. Knowledge of the relative importance of the image dimensions would be of great value for marketing managers.

To sum up, Lindquist (74-75) list provides one of the most comprehensive, empirically based overviews of store image attributes. It provides a good general base that retail management can use in formulating store image studies for a particular store (Rosenbloom, 1983). However, it is crucial to include only those attributes deemed salient by the potential market segment (James *et al.* 1976).

2.5 Store image measurement

2.5.1 Introduction

The measurement of store image is a topic of long standing interest in retail research as several ways to measure retail image and brand positions have been developed and applied (Louviere and Johson, 1990). The main purpose of measuring store image is identifying a retail store's market position. Moreover, the image identification of the competitors' store will help marketing managers, to modify marketing mix elements on those attributes where significant perceived image differences exist.

Most approaches to the measurement of store image used in the literature have been a function of the researcher's definition of store image, as well as his/her conception of what specific store dimensions compose store image (Samli and Lincoln, 1989).

Recognizing the deficiencies of investigator-determined scales, some authors have adopted different approaches (Marks, 1976). Traditionally, two research methodologies have been used in store image studies: 1) direct questioning of respondents regarding the relative evaluation of pre-specified store attributes (structured) and, 2) soliciting free response store descriptions using unstructured instruments (Jain and Etgar, 1976).

2.5.2 Structured measurement techniques

According to the literature review, some of the most widely used approaches are Semantic Differential Scales, Multi-attribute models, Multidimensional Scaling and other multivariate methods such as conjoint analysis and structural equation modeling.

2.5.2.1 Semantic differential scales

In this approach respondents are requested to evaluate a set of stores in terms of given physical properties and psychological characteristics using some form of differential scales developed by Osgood, Suci and Tannenbaum (1957). The use of the differential scales in store image research is presented in the following table 2.3.

Table 2.3 Uses of Semantic Differential Scales in Store Image Research

Use of scales	**Authors**
Describe images	(Donovan and Rossiter, 1982; Marks 1976)
Relate image to other variables such as store loyalty	(Lessig, 1973; Bellenger, Steiberg and Standon, 1976)
Determine the importance of image attributes	(Hirschman *et al.* 1978; Hansen and Deutcher, 1977; James *et al.* 1976; Swinyard, 1977)
Investigate various approaches to measurement	(Zimmer and Golden, 1988; Golden *et al.* 1987; Peterson and Kerin, 1983; Kerin and Golden, 1982)

The semantic differential is a method of measuring and comparing the connotative meaning of concepts, and is considered quite useful for assessing, among other things, consumer images of companies, retail outlets, products, and brand names (Andersen *et al.* 1970). The semantic differential is a seven-point scale with end points associated with bipolar labels. The semantic differential approach forces all respondents to respond to the same set of questions, perhaps developed by pre-testing (Ward *et al.* 1992). Respondents are asked to rate objects on a number of itemized seven point rating scales bounded at each end by one of two bipolar adjectives (Chandler and Spies, 1996). The relative position of each choice to the poles represents their attitude on the dimensions in question.

Semantic differential scales are easy to administrate. Moreover, the level of literacy required is minimal. Also, it is rather easy for the researcher to code and treat the data, leading in meaningful conclusions. Finally, results from semantic differential studies exhibit high reliability (Marks, 1974-75).

However, this methodology often does not help in identifying the salient dimensions used in such studies (Samli and Lincoln, 1989). In contrast, they reflect primarily judgement of the researchers, as to which dimensions are important, to the respondents (Jain and Etgar, 1976). Semantic differentials cannot describe global or overall impressions. Instead, semantic differential scales, are used to study specific attributes, representing component "parts of image" rather than the "whole image" (Chui, 1995).

Alternatively, a number of researchers used Stapel scale and graphic position scales to measure store image. Menezes and Elbert (1979) suggested that, empirical evidence does not support that any single format is clearly superior to all others for obtaining a pure measure of retail image dimensions. No difference with regard to reliability has been reported between traditional semantic differential and graphic position scales where research findings have indicated a low individual reliability on staple scales despite their high aggregate reliability (Amirani and Gates, 1993; Churchill *et al.* 1984; Tull and Hawkins, 1984; Hawkins *et al.* 1975-76).

2.5.2.2 Multi-attribute model

To measure store image a multi attribute approach has been suggested. The assumption is that, a set of beliefs and evaluations on store attributes are identified and combined to predict store image performance. It has been suggested that, the summation of the performance evaluations-importance measures is the predicted measure of store image. The application of these models came into vogue as a result of the inadequacies of the semantic differential scale (Amirani and Gates, 1993).

The most influential multi-attribute model is the Fishbein (1975) model, named after its primary developer. A modification of this model has been used in brand image studies with a high degree of success as the multi-attribute model is considered to be an effective predictor of store appeal. A number of studies (Marks 1976; James, *et al.* 1976; Lessig, 1973) have adopted multi attribute models in studying store image.

There are two approaches in studying the attitudes, using the multi-attribute model; Expectancy-Value and Adequacy-Importance models. However, the multi-attribute model most frequently appearing in the consumer behaviour literature and in brand image studies is the Adequacy-Importance model.

The model applied to store image can be as follows:

$A = \Sigma BiWi$

where: A =an individual's attitude towards a particular store

B= the individual's evaluation or belief toward attribute i for a particular score i=1,2,..n.

W= the weight or importance of attributes i for the individual i=1,2,..n.

n=number of attributes that are important in the selection of a given store

The theoretical strength of the model application is the weighting of attributes. This approach can retain the advantages of the semantic differential and provide more information than any other method. The researcher can identify the salience and valence of each attribute leading to more realistic conclusions.

However, theoretical issues concerning the proper statement of the model have arisen in application. There is a question regarding the specification of the attributes used by respondents to evaluate store image. Another major drawback of the multi-attribute model is the unrealistic implication that consumers make an almost simultaneous evaluation of the many attributes in arriving at their store choice (McGoldrick 1998; Marks, 1976).

Also, a question concerning the prediction power of the model has been arisen. Beliefs importance model versus beliefs only model is a similar question to expectation-performance versus performance model used for measuring service quality. Research has not reached any definite conclusion concerning the predictive power of the models (Darden *et al.* 1983; Howell and Rogers, 1983; Darden, 1979; Reynolds *et al.* 1974). However in the service quality literature importance weights reduced the predictive power of the model (Ruyter *et al.* 1998).

2.5.2.3 Multidimensional Scaling

Multidimensional scaling is another technique for studying retail store image (Van Auken and Lonial, 1991).

Multidimensional scaling has the advantage of making the fewest assumptions about the ability of the respondent to be precise and allows him the opportunity to make minimally structured judgements, (Doyle and Fenwick, 74-75; Amirani and Gates, 1993). Also it enables researchers to visually display respondent perceptions. The dimensional representations portray individual segments and brands, in such a fashion that the interrelationship between the two sets of entities renders useful information about the preference/choice structure of such consumers for these brands (Desarbo *et al.* 1997).

On the other hand there is a lack of direct correspondence between observed perceptual dimensions and objective retailers attributes (Louviere and Jhonson, 1990). The dimensions discovered will depend on the subjects included in the set, and stores may be judged similar or dissimilar on some basis other than image (Zimmer and Golden, 1988). Additionally, it is not possible to assess statistical significance with this procedure (Green *et al.* 1987). Other disadvantages of the multi dimensional approach are the difficulty of analysing the data and interpreting the axes or dimensions of the perceptual map (Ward *et al.* 1992; Marks, 1976).

2.5.2.4 Other Multivariate Techniques

Various other multivariate methods have been applied to the study of store image. Table 2.4 summarises the multivariate techniques used in the store image research.

Table 2.4: Multivariate Techniques for Store Image Measurement.

Method	Author
Factor analysis	(Darley and Lim, 1999; Nevin and Houston, 1980; Marks, 1976)
Multiple regression	(Darley and Lim, 1999; Howell and Rogers, 1983; Nevin and Houston 1980; Marks, 1976; Stanley and Sewall, 1976)
Fuzzy-clustered-regression analysis	(Steenkamp and Wedel, 1991)
Canonical correlation	(Peterson and Kerin, 1983)
Discriminant analysis	(Ring, 1979; Lessig, 1973)
Conjoint	(Amirani and Gates 1993; Louviere and Johnson 1990)
Causal model	(Hildebrandt, 1988)

Other approaches used much less frequently include, joint space analysis (Pessemier, 1980), and a life style analysis (Reynolds *et al.* 1974).

2.5.3. Unstructured measurement techniques

The unstructured approaches are open -ended questions that respondents answer in their own words. Open-ended techniques encourage respondents to build their own image structures by noting the stores mentioned and the adjectives (dimensions) used to describe them.

Usually, respondents were asked to express their view of the stores, on similarities and differences between them (Cardozo, 1974-75), and what likes or dislikes (Jain and Etgar, 1976). Finally, open-ended question techniques try to elicit the underlying dimensions that constitute store image and choice criteria. It has been suggested (Keaveney and Hunt, 1992) that open-ended or unstructured elicitation techniques should be used to measure store image.

A summary of the most important techniques used for eliciting information through open-ended questions is presented in table 2.5

Table 2.5 Unstructured Measurement Techniques: An Overview.

Questions asked	**Authors**
Report the first word or thing that come to mind when the name of a particular store or store type was, mentioned	(Myers, 1960 ; Dicson and Albaum, 1977)
List attributes, characteristics, or terms that come to mind when a particular store type was mentioned or after visiting the store	(Ward *et al* 1992; James *et al.* 1976)
List factors important in selecting a store	(James *et al.* 1976)
Indicate what is liked most or least about a store	(Mc Dougall and Fry 1974; Berry, 1969)
Describe image or overall impression by using any type of descriptor, whether it is attribute-specific or not	(Zimmer and Golden, 1988)
Describe stores freely with any words or prashes that they choose	(Jain and Etgar, 1976)

One advantage of unstructured approaches to image measurement is that they enable the respondents to express their general attitudes and opinions without biasing the answer. Respondents are free to express their views providing the researcher with rich insights into how consumers perceive the image (Ward *et al.* 1992). This approach has great appeal in terms of its ability to identify the critical store image components evoked by the respondents since the boundaries of image perceptions are not predetermined (Jain and Etgar, 1976). Moreover, the unstructured approaches provide a level of detail not possible with semantic differentials, and more directly interpretable than the results of most multi-dimensional scaling studies (Ward *et al.* 1992).

However, coding is costly, time consuming and often introduces bias into the results (Malhotra, 1999). Also, there is an inability on the part of the researcher to quantify the data and subject it to a rigorous analysis (Rearden *et al.* 1995; Mc Dougall and Fry, 1974). So, the interpretation of the results depends largely upon the creativity of the researcher (Marks, 1976). Moreover, results often give no measurement of the degree to which an attribute or feeling is present. As a result, Rearden *et al.* (1995) argued that, using open-ended elicitation techniques is hardly practical for applied research. McDougall and Fry (1974) combined open-ended questions and semantic differentials. Most commercial studies now combine these techniques. Open-ended questions have been used in order to help elicit the most relevant dimension to be scaled (Davies 1987, Green *et al.* 1987). Then a structured measurement technique is used to give more quantifiable results. Structured measurement techniques are presented in the following sections.

2.6 The concept of store image in the retailing research

Researchers use the store image concept as an analytical tool to identify and assess perceived dimensions' differences between two identical types of retail stores, or between two different types of retail store. Most research on image differences has focused on identifying and assessing store image dimensions that consumers use to evaluate identical types of retailers. Table 2.6 indicates some studies in different settings.

Table 2.6 Store Image Research

Retailing Setting	Authors
Men's clothing stores, women's clothing stores	(Louviere and Johnson, 1990; James *et al.* 1976; Marks, 1976)
Department stores	(Burt and Encinas, 1999; Amirani and Gates, 1993; Louviere and Johson, 1992; Zimmer and Golden, 1988; Mazursky and Jacoby,1986; Hirschman, 1979; Jain and Etgar, 1976)
Groceries	(Rearden *et al.* 1995; Hilderbrandt, 1988; Doyle and Fenwick, 1974-75; Lessig, 1973)
Supermarkets	(Hansen and Deutscher, 1977; Andersen and Scott, 1970)
Second hand store	(Darley and Lim, 1999)
Drugstores	(Nickel and Wertheimer, 1979)
Restaurants	(Chui, 1995; Miller and Granzin, 1979; Swinyard, 1977)

Store image dimensions vary for different types of stores (Steenkamp and Wedel, 1991; McGoldrick, 1990; Schiffman *et al.* 1977; Singson 1975). However, a number of studies used the same scale to measure different stores. In this case the differences were on the importance of each store dimension.

2.7 Restaurants in the retailing literature

A review of hospitality literature suggests that researchers have been more focused on discussions of the underlying dimensions on consumer choice (Soriano, 2002; Sun, 1995; Auty, 1992), on the relationship between measured concepts and reported or observed behaviour (Lee and Ulgado, 1997; Chui, 1995; Donovan and Rossiter, 1982; Lessig, 1973) and the management application of the concepts under investigation, (Clark and Wood 1998; Goldstein, 1998; Jhonson and Mathews, 1996; Jhons and Howard, 1998; Reardon *et al.* 1995; Hilderbrandt, 1988; Downey 1977). A number of studies have focused on the service quality provided by the restaurant premises (Heung *et al.* 2000; Jhons and Teas, 1996; Lee and Hing, 1995; Stevens *et al.* 1995; Bojanic and Rosen, 1994; Rice, 1994), whereas, others have segmented the restaurant market based on demographic criteria (Binkley, 1998; Williams *et al.* 1997; Becker *et al.* 1994; Nayga and Capps, 1994).

Amongst the food service studies, literature dealing with restaurant image (especially fast food) is hard to find. Downey (1977), first studied the restaurant industry. He measured the images/attitudes of 11 fast-food restaurants by illustrating their position in similarities preference space map.

Wang (1990) applied the self-image/product image, congruity model in explaining consumer satisfaction/dissatisfaction for restaurant dining. Sun (1995) studied consumer satisfaction-dissatisfaction, for upscale restaurants, utilising a disconfirmation approach. Auty (1992) developed a model to predict restaurant choice and segment the market in the restaurant industry. Chui (1995) explored the degree of loyalty towards competitive mid-scale restaurants and how their particular image influences patronage behaviour.

Jhons and Howard (1998) examined the measurement of customer expectations and perceptions of service performance in the foodservice industry. Bojanic and Rosen (1994) applied the SERVQUAL instrument to a restaurant chain to examine the gap between expectations and actual performance. Moreover, Clark and Wood (1998) explore factors relevant to engendering consumer loyalty in restaurant choice. Soriano (2002) examined the attributes, which influence consumers' decision, to re-patronising a restaurant.

Fast food industries only recently have received attention from the researchers. For example, Jhonson and Mathews (1996) have studied service expectations in the context of fast food and restaurant industry. Lee and Ulgado (1997) conducted a cross-national comparison, on consumer evaluation of fast food services. In addition, Chaipoopirutana (1998) conducted a comparative study of service quality in the fast food industry between Thailand and USA fast food chain premises. Heung *et al.* (2000) investigated the service quality of the fast food airport outlets in Honk Kong. Finally, Oh and Jeong (1996) segment the fast food industry on the basis of consumer's expectations of food service environment and convenience.

Despite the importance of image in the foodservice industry the literature is limited to only a few studies.

2.8 Restaurant and image

Every restaurant represents a concept and projects some kind of image (Goldstein, 1998). Restaurant image attributes are quite different than other retail establishment's image attributes. Image concept components include everything. Signature items, services systems, décor, menu, food and its presentation, style of operation, appearance of the hostess, food servers, music atmosphere, restaurant location, personnel friendliness and pricing (Goldman, 1993; West, 1992; Lunberg, 1985). Consumers are concerned with the above components as image cues.

At least two primary difficulties in operationalizing the concept of store image account for the differences in methodology. Firstly, there is the problem of determining what store characteristics are salient (important) to consumers. Secondly, there is a problem of how to measure the interaction among store characteristics that occurs in consumer's minds.

With a large number of items the question arises of how many are viewed separately in consumers' minds and how many items are salient (important). There is the question, for example, of whether individual dimensions such as 'style ', 'quality of merchandise' and 'attractive displays' are viewed separately in consumer's minds, or whether they are all interrelated and viewed in terms of one overall composite dimension. Therefore, in order to measure store image a researcher should consider all the above problems. The decision on what attributes or dimensions should be included in the research is crucial.

2.9 Restaurant image attributes

Consumers are believed to consider restaurant image in terms of a set of attributes. The overall evaluation produces an attitude towards the restaurant (Jhons and Pine, 2002). Restaurant image, one specific type of retail store image, results from factual and emotional perceptions of product/service (Ward *et al.*1992; Hilderbrandt, 1988; Lessig, 1973). These image attributes will be different from the general store image dimensions of supermarket grocery, department store, or fashion store (Chui, 1995).

The image of a restaurant invariably consists of both positive and negative perceptions of functional and psychological attributes. Tangible attributes are physical properties such as restaurant location, restaurant layout, price ranges and other qualities such as food and beverage that the consumer can somewhat objectively compare to competitors. Intangible attributes refer to such qualities as friendliness of restaurant personnel, atmosphere or attractiveness of décor.

The number of studies regarding restaurant image (especially fast food) in the food service literature is scarce. Hence, researchers (Ozman, 1993; Hilderbrandt, 1988; Lessig, 1973) considered restaurants as specific types of retail outlets and used the terminology from retail research to the restaurant sector. For example, Ball (1992) applied store image attributes from retail sector to the fast food restaurant sector.

Table 2.7 Application of Lindquist's (1974) Store Image Attributes to The Fast Food Restaurants. Source: Ball (1992).

Attribute	Contributing factor components	Application to fast food
Merchandise	Quality: selection styling, guarantees, pricing	Limited menu selection although number of extensions to increase appeal across a wider number of meal occasions. Total product consistency Relatively low prices but margins across the menu vary
Service	Service generally employee service, self service, speed of service	Encounters are technology –led and very brief
Clientele	Social class appeal, self image congruency, personnel	Fast turnover of customers and types of meal occasion for which used may make this a less important image element
Physical facilities	Air conditioning washrooms, store layout, ease of movement	Elements carefully researched to get the necessary eat turnover. Standards meticulously checked
Convenience	Locational convenience, parking	Locations must have high traffic flow and be numerous
Promotion	Sales promotions, advertising, displays, symbols and colour	Bold, large, lots of colour used to gain attention. Emphasis on children's offerings
Store atmosphere	Atmosphere congeniality, i.e. feelings of warmth and acceptance	Use of colour, plants, music and noise. Other customers are a significant feature
Institutional factors	Traditional v. modern projection of the store, reputation and reliability	Clean, bright, modern, consistent corporate identity despite variations in external fabric of buildings to fit.
Post transaction satisfaction	Performance of merchandise in use, refunds	Owing to nature of fast-food consumption very little emphasis on this area to date.

Even though there is no comprehensive study to identify the image dimensions of fast food restaurant, some studies utilise the product/service attributes or the leisure dimensions in order to evaluate foodservice (e.g. restaurant) chains or to identify the importance of each attribute on patronage behaviour, (Soriano, 2002; Chaipoopirutana, 1998; Clark and Wood 1998; Clow *et al.* 1998; Jhons and Howard, 1997; Lee and Ulgado, 1997; Pettijhon *et al.* 1997; Jhonson and Mathews, 1996; Chui, 1995; Jhons *et al.* 1995; Sun, 1995; Stevens *et al.* 1995; Sou lh, 1994; Morgan, 1993; Auty, 1992; Wang, 1990; Hilderbrandt, 1988; Cadotte *et al.* 1987; Downey 1977).

The dimensions used by the researchers to describe aspects of the food service industry are presented in the following table (table 2.8)

Table 2.8 Attributes/Dimensions Used in Restaurant Studies.

Attributes/Dimension	Author
Quality of food, service, cost/value, place/ambience concerns	(Soriano, 2002)
Food, service, price, atmosphere, drinks	(Clark and Wood, 1998)
Food, service, price, environment, staff, atmosphere, drinks, location cost/value, place/ambience concerns	(Jhons and Howard, 1998)
Taste and quality of food, selection of food, friendly service, speed of service, pleasant atmosphere, price, cleanliness and ability to accommodate kids	(Prisma Options a Market Research Company, 1997)
Quality of food, quality of service, price/value, and atmosphere/cleanliness.	(Stevens *et al.* 1995)
Food taste, variety of menu, security, cleanliness, Décor and atmosphere, low noise level, friendly service, knowledgeable service, speed of service, ability to accommodate children, size of the chain, fun, and reasonable prices	(Morgan, 1993)
Food quality, menu variety, size of portion, value for money, employee friendliness, quality of service, Promptness of service, atmosphere/décor, and cleanliness	(Wang, 1990)
Fresh food, quality; style, staff, fair price, special offers	(Hilderbrandt, 1988)
Food quality, speed of service, employee friendliness, atmosphere/décor, cleanliness, price/value, and quality of employee service	(Cadotte *et al.* 1987)

Moller and Gitner (1979) identified six main reasons for visiting a fast food restaurant. Speed of service, variety of menu, popularity with children, cleanliness, convenience taste of food and price appeared to be the main reasons for store patronising.

Sou Lh (1995) used 14 functional and 9 psychological attributes to describe the restaurant image: variety of menu, freshness of food, large size of portions, nice food presentation, taste of food, cleanliness, surroundings, atmosphere, noise level, friendly service, speed of service, knowledgeable service and price. He further used attributes such as : explore new ideas, expand my knowledge, discover new things, gain a feeling of belonging, interact with others, gain other's respect, slow down, rest, and avoid the hustle and bustle of daily activities.

Downey in his study in 1979 used 15 attributes for fast food restaurants, namely: quality of food, hours of operation, variety of menu, security, location, friendly service, speed of service, nutrition, price parking, děcor and atmosphere, reputation, popularity, product or service similarity and specials offered.

2.10 Store image and consumer behaviour

Down and Haynes (1984) suggested that store image as an isolated concept, has limited value. Only when it is related to store patronage or loyalty the store image becomes meaningful from a strategic viewpoint.[1]

[1] Store patronage concerns the shopping orientation or styles of consumers, demographics and psychographic variables and product types (Sullivan and Savvitt, 1997).

Store image has been a major strategic tool in the highly competitive retailing environment, for it has been both theoretically and empirically connected to store loyalty (Rearden *et al.* 1995; Burns, 1992; Donovan and Rossiter, 1982).

Moreover, Hutcheson and Mutinho (1998) suggested that, store image may serve as a cue to the quality of brand and vice-versa. Understanding of the store image currently held by customers is therefore crucial for achieving greater store patronage. It permits management to correct or change the negative aspects of their operations and to improve on their performance in the direction preferred by their consumers (Jain and Etgar, 1976).

The retailing literature suggests that consumers' store image perception is a significant construct in explaining retail store patronage and store loyalty (Darley and Lim, 1999; Hikdebrandt, 1988; Steenkamp and Wedel, 1991; Sirgy and Samli, 1985; Doyle and Fenwick, 1974-75; Lessig, 1973 and Martineau, 1958).

Model analysis of buying behaviour can show the influence of store image on patronage behaviour (Engel *et al,* 1986; Malhotra, 1983; Sheth, 1983). One well known model of consumer behaviour by Engel *et al* (1986), includes the following factors of influence on the buying process: environmental situation, motivation and need recognition, source of stimulus, individual situation, information processing, psychological factors, decision types and level of involvement, time ability and assessment of purchasing outcomes. The image of the store has been shown to affect several of these influence factors in varying degrees (Garton, 1995).

It is generally acknowledged that consumers form images of the store's products and brands in their environment and that these images are capable of exerting a strong impact on their shopping and patronage behaviour (Mazursky and Jacoby, 1986).

Consumers develop certain criteria for store selection and then make a choice as to whether or not a store meets their criteria (Sullivan and Savvitt, 1997). Store image is one basis used by consumers for store selection (Dickson and MacLachland, 1990). So, in the context of this research, restaurant patronage can be explained in the way that certain types of customer will visit frequently fast food restaurants (West, 1992). Hence, an understanding of patronage behaviour depends upon an understanding of consumers' perception.

In the meantime patronage can influence a consumer's image of the store. Empirical studies suggest that frequent patrons of a store have a favourable image of the store whereas infrequent patrons or non-patrons hold a less favourable image of the store or a less distinct image of the store (Acito and Anderson, 1979). In contrast, Jhonson and Mathews (1997) concluded that expectations did not affect the frequency of experiencing a fast food restaurant. On the other hand, it was the time elapsed since the last visit to any fast food restaurant that affected expectations more significantly.

2.11 Store image and patronage behaviour in the present research

From the outset it should be noted that restaurant chains have a number of public or target audiences for the messages they create and send (West, 1992). Companies will wish to influence the images held by these publics in different ways. Thus, image research, development and management is crucial for the company success.

The image of a company or a restaurant consists of the way it is perceived by consumers (West, 1992). These perceptions of image greatly impact behaviour because they represent a person's subjective knowledge of the world around him. Consumers choose brands (restaurant chains) based on their perceptions of each of their alternative brands using a set of relevant dimensions or product characteristics. These perceptions, coupled with the importance to the individual of each characteristic, lead the customer to the determinant factors that make one restaurant preferable to another (Lewis, 1985).

A favourable image helps establish a company's position, develop a competitive advantage, thus enhancing its performance. Store image serves as an analytical tool for store choice, but at the same time is widely used as an analytical device to diagnose the weaknesses and strengths possessed by each store relative to others (Wu and Petroshius, 1987). Nowadays, it is of critical importance for the marketing manager to understand strengths and weaknesses with respect to competition.

In the context of the present research, as the offering mix in all fast food chains is fairly standardised, the image of one fast food restaurant may easily influence consumers' perceptions for all others (Jhonson and Mathews, 1997). Store image of fast food chains should be examined with respect to competition. Moreover, store image's relationship to perceived satisfaction and consumer patronage or loyalty behaviour should be explored. So far, in the foodservice literature this relationship between restaurant image and consumer loyalty behaviour has not been adequately explored.

As the goal of the present research is to measure store image with respect to satisfaction and loyalty outcomes a brief discussion on the concepts of store loyalty and customer satisfaction will be presented in the next paragraphs.

2.12 Consumer loyalty

2.12.1 Introduction

Loyalty is the premier objective that marketers aim for their products, brands or services (Ozman, 1993). Loyalty is considered to be the key to the success of a particular retail business. Customer loyalty has received considerable attention in both marketing and management theory and practice (Ruyter and Bloemer, 1999). However, Oliver (1996, p.389) argued that despite the various researches and despite its perceived importance in marketing theory and practice customer loyalty still ''presents an enigma to researchers''. Present research aims to study customer loyalty towards fast-food restaurants. So it is necessary, to briefly discuss the meaning of consumer loyalty.

2.12.2 Loyalty definition

In the marketing literature, loyalty is a notion with various definitions. Reynolds *et* al, (74:75) define customer loyalty as:

> " the tendency to continue over time to exhibit similar behaviors in situations similar to those he has previously encountered".

Whereas, Jacoby and Chestnut (1978) defined loyalty as:

> "i) the biased, ii) behavioural response, iii) expressed over time iv) by some decision make unit v) with respect to one or more alternative brands out of a set of such brands and vi) a function of psychological (decisions making evaluation) process".

However, East (1997 p.31), suggested that a composite definition of loyalty such as that endorsed by Jacoby and Chestnut (1978) is probably a mistake, as he believed that it is difficult to operationalise and classified consumers when so many criteria have to be met. In his view, researchers need a number of narrowly framed measures of loyalty.

The use of each measure will depend on the nature of the research and the topic under investigation. However, research on the relationship between different measures is required (East, 1997).

2.12.3 Loyalty conceptualisation

According to East's (1997) view, a number of different approaches to conceptualise the loyalty concept have been developed.

In the literature, three broad approaches to conceptualise loyalty have been identified.

In consumer research, loyalty was approached predominantly from a behavioural perspective. The main point in this approach suggests that it is the actual behaviour that drives an organisation's performance (Bloemer and Ruyter, 1999; Liljander and Strandvik, 1995).

Examples of loyalty behaviour include continuing to purchase services from the same supplier, increasing the scale and or scope of a relationship, or the act of recommendation (Yi, 1990).

Ozman (1993) suggested that borrowing the terminology from brand loyalty, loyalty patronage behaviour refers to the repeat purchase behaviour at a particular store for either the same product(s) or any other products.

Biong (1993) extended the behavioural approach adding the act of switching to another store or service supplier as he defined loyalty as 'the real or perceived lack of alternatives to buy'.

Jacoby and Chestnut (1978), observe that, in these studies the focus was on interpreting patterns of repeat purchasing as a manifestation of loyalty. With regard to service, loyalty has frequently been operationalised in terms of observed behaviour (Liljander and Standvik, 1995).

Bloemer and Kasper (1995) make a distinction that repeat purchasing behaviour and loyalty (spurious and true loyalty) are different concepts. Repeat purchasing behaviour is the actual re-buying of a brand (product), regardless of the consumer's degree of commitment to the brand. Loyalty not only concerns the behaviour of re-buying, but also takes into account that actual behaviour's antecedents. True loyalty is a function of psychological (decision making evaluative) processes resulting in brand (product) commitment. Spurious brand loyalty can be seen as a function of inertia.

Researchers began to question the adequacy of using behaviour as a measure of loyalty, as this approach has been criticised for a lack of a conceptual basis and for having a narrow focused view (Bloemer and Ruyter, 1999; Ruyter *et al.* 1998). Also, the approach does not distinguish between true and spurious loyalty (Srinivasan *et al.* 2002). Furthermore, repeat purchasing behaviour may not even be based on a preferential disposition but on various bonds that act as switching barriers to consumers (Storbacka *et al.* 1994; Liljander and Strandvik, 1995). So, behavioural operationalisations are often inadequate to explain how and why store patronage occurs (Bloemer and Ruyter, 1998).

Dick and Basu (1994), supplemented the behavioural approach with the concept of relative attitude, which reflects the degree to which consumer's evaluations of one service dominates that of another. They posit that true loyalty only exists when repeat patronage coexists with a high relative attitude.

Customer loyalty has also been approached, as an attitudinal construct (Ruyter *et al.* 1998; Hallowell, 1996; Biong, 1993). According to this approach different feelings create an individual's overall attachment to a product, service, or organization defining the individual's degree of loyalty (Hallowel, 1996). Thus, a favorable attitude and not just repurchase is a prerequisite for loyalty.

This is reflected in the willingness to recommend a store to other consumers or in the commitment to repatronise a preferred service provider (Pritchard *et al.* 1999; Gremler and Brown, 1996; Jain *et al.* 1987).

In addition to attitude, it has been argued that loyalty may also be based on cognition (Lee and Zeis, 1980; Oliver, 1996). In this respect, loyalty is frequently operationalised as the product or service that first comes to mind when making a purchase decision (Newman and Werbel, 1973; Belenger *et al.* 1976; Dwyer, 1989). On the other hand, could be a decision for a product or service that is a customer's first choice among alternatives (Ostrowski *et al.* 1993) through evaluation of the price/quality ratio (Raju, 1982) or price tolerance (Anderson, 1996; Fornell *et al.* 1996; Zeithlam *et al.* 1996).

2.12.4 Loyalty importance

Loyalty is a focal point in a long-term relationship implying both a favourable attitude and consumer retention (Biong, 1993). Dick and Basu (1994), in a conceptual paper of loyalty, point out that the loyalty concepts apply to a variety of contexts from consumer packaged goods to industrial to retail store.

In the literature, loyalty is included in models as an outcome variable (Ruyter *et al.* 1998; Gremler and Brown, 1996; Boulding *et al.* 1993; Cronin and Taylor, 1992). There are number of studies that found a link between image and loyalty such as Darley and Lim, 1999; Andreassen and Lindestad, 1998; Bloemer and Ruyter, 1998; Chui, 1995; Ozman, 1993; and Lessig, 1973. Other studies found a relationship between perceived service quality and loyalty (Sivadas and Baker, 2000; Ruyter *et al.* 1998; Zeithlam *et al.* 1996; Parasumaran *et al.* 1994; Rust and Zahorik, 1993; Cronin and Taylor, 1992).

Also, customer satisfaction has frequently been advanced to account for customer loyalty (Ruyter and Bloemer, 1999; Oliver, 1996; Hallowell, 1996; Anderson and Fornell, 1994; Biong, 1993; Bloemer, and Lemmink, 1992; Parsumaran *et al.* 1988; Kasper, 1988 and La Barbera and Mazursky, 1983).

2.12.5 Loyalty operationalization

Exploring and determining the degree of loyalty is of critical importance for marketing managers as it can provide valuable insights for the success of the applied marketing mix. Loyalty measurement results can guide company's actions toward the improvement of their strategy. Many measurement tools have been employed based on the conceptualisation approaches.

In the research literature on customer loyalty, the emphasis has been primarily on product-related or brand loyalty, whereas loyalty to service organisations has remained underexposed (Gremler and Brown, 1996). However, it has been pointed out that the accumulated body of knowledge about loyalty in the product domain cannot automatically be generalised to service loyalty (Keaveney, 1995).

Traditionally, a consumer's store loyalty has been described in terms of a single behavioural characteristic, (Lessig, 1973).

Ruyter, Wetzel and Bloemer, (1998) in their study, suggest that there are three dimensions of loyalty that can be identified, preference loyalty, price indifference loyalty and dissatisfaction response.

Generally, store loyalty has been measured in one of the following ways

1) **Proportion of patronage** (Sivadas and Prewitt, 2000; Dick and Basu, 1994; Runyon and Stewart 1987).
2) **Brand preference** (Runyon and Stewart 1987).
3) **Word of mouth** (Sivadas and Prewitt, 2000; Andreassen and Lindestand, 1998; Boulding *et al.* 1993).
4) **Repurchase intentions** (Andreassen and Lindestad, 1998; Soderlund, 1998; Garton, 1995; Biong, 1993; Keavaney and Hunt, 1992).

Sirohi McLaughlin and Wittink (1998) measured store loyalty intentions by intent to continue shopping, intent to increase purchases and intent to recommend the store.

Bellenger *et al.* (1976) suggest that a multivariate rather a univariate measure should be used to measure the qualities of store loyalty. So a number of researchers used multiple scales for loyalty measurement. Zeithlam *et al.* in 1996 measured store loyalty with a scale consisting of 13 items. Srinivasan *et al.* (2002) used an eight item scale. Also other studies have employed multi-item measures for store loyalty (Ruyter and Bloemer, 1999; Gremler, 1995).

Hallowell (1998) measured customer loyalty both in length and depth of the company-consumer relationship. Length is reported by the percentage of customers who remained in the company and depth measured by customer-reported relationship tenure.

Finally, Bloemer and Kasper (1988) measured loyalty multiplying the effects of commitment scale and repeat buying behaviour.

2. 13 Satisfaction concept

2.13.1 Introduction

The word satisfaction has been fundamental to the marketing concept, for over three decades (Caruana and Money, 1996). Ereveless and Young (1992, p.104) stated, that:

> "satisfaction has been recognised as the central element in the marketing concept"

Biong (1993) made a comparison between satisfaction and loyalty concepts. He stated that satisfaction is a result of historical events whereas, loyalty refers to a desired outcome in the future

2.13.2 Definitions

Oliver (1997, p.13) proposed that "satisfaction is the consumer's fulfilment response''. This definition of the satisfaction suggests that the evaluation process spans the entire consumption experience and satisfaction is the result (Wirtz *et al.* 2000).

Past research in consumer satisfaction has proposed various theoretical structures to examine the antecedents of satisfaction.

The expectancy/disconfirmation paradigm in theory provides the grounding for the vast majority of satisfaction studies and encompasses four constructs: expectations, performance, disconfirmation and satisfaction (Caruana and Money, 1996). It describes consumer satisfaction as a **Process**; an evaluation between what was received and what was expected.

Engel *et al.* (1990) defined store satisfaction as:

> "the outcome of the subjective evaluation that the chosen alternative (the store) meets or exceeds expectations''

The basis for the definition forms the disconfirmation paradigm. So, satisfaction is believed to occur through a matching of expectations and perceived performance (Oliver, 1980).

A review of the literature suggests that customer satisfaction is generally construed to be 'post consumption' evaluation dependent on expectations and confirmation/disconfirmation (Anderson and Fornell, 1994; Parasumaran *et al.* 1985; Yi, 1990, 1991).

On the other hand, a purely cognitive approach may be inadequate in modeling satisfaction evaluation. It has been suggested (Wirtz *et al.* 2000) that, the disconfirmation model performs poorly in explaining satisfaction with services, because service encounters are not easily reduced to concrete, multi-attribute evaluations. Furthermore, it is now generally accepted that consumers' evaluative judgments are based partly on cognition and partly on affective responses to a product stimulus (Oliver, 1997). Moreover, the model concentrates upon the antecedents to satisfaction rather than satisfaction itself (Johnson and Mathews, 1996).

Therefore, researchers have described satisfaction as an **outcome** (Dick and Basu, 1994; Gronroos, 1990). In this view (Jhonson and Mathew, 1996), satisfaction has been described as an Emotion (cognition as a determinant of the affective satisfaction), Fulfillment (need satisfaction, goal achievement) and State (Satisfaction as contentment, surprise and pleasure). These approaches are complementary interpretations as often, one depends on the other (Jhonson and Mathew, 1996).

Authors agree that satisfaction is transaction specific and satisfaction assessment requires customer experience (Caruana and Money, 1996; Boulding *et al.* 1993, Cronin and Taylor, 1992; Parasumaran *et al.* 1988; Oliver, 1980). It is also suggested that satisfaction reflects customers' experiences and evaluation with that service

(Iacobucci and Greyson, 1995; Selnes, 1993; Hesket *et al.* 1990). In this case, satisfaction can be either manifest or latent (Bloemer and Ruyter, 1998). **Manifest** is the result of an evaluation, which is well-elaborated on and **latent** satisfaction that no explicit comparison is made.

2.13.3 Satisfaction importance

Customer satisfaction is becoming an increasingly salient topic in many firms and in academic research. One main rationale behind this interest is that customer satisfaction is believed to be associated with fruitful outcomes (Soderlund, 1998). As pointed out by Garbarino and Johnson (1999), for decades one of the key global constructs predicting consumer behaviour has been overall satisfaction. Successful companies consider customer satisfaction as an important profit stimulant, as a powerful competitive defence and as a tool of differentiation.

Consumer satisfaction is a more pragmatic way of conceptualizing measures in restaurant performance because it can be based upon a totality of attributes, including both food and service (Jhons and Pine, 2002).

The level of satisfaction is an important indicator of a consumer's state of mind and consumers with different levels of satisfaction may react in different ways (Shemwell *et al.* 1998). A number of authors found a strong relationship between satisfaction and Loyalty (Bloemer and Ruyter, 1998; Fornell *et al.* 1996; Hallowell, 1996; Oliver, 1996; Dick and Basu, 1994; Kasper, 1988; LaBarbera and Mazursky, 1983; Swan and Trawick, 1981).

Satisfied consumers, for instance, engage in positive word of mouth, that is they tell the others who are external to the relationship of their pleasure with the service provider and the service (File and Price, 1992; Yi, 1990). Conversely, less satisfied or dissatisfied customers complain (Richins, 1983).

Other authors have linked satisfaction with experience of making the purchase decision itself and found that satisfaction strongly influenced patronage intentions (Hutcheson and Mutinho, 1998; Cronin and Taylor 1992; La Barbera and Mazursky 1983; Westbrook and Oliver, 1978). In contrast, Swinyard (1977) proposed that customer dissatisfaction is likely to have a greater influence on patronage intentions than consumer satisfaction.

Moreover, Oliver (1980), found that a high level of consumer satisfaction increased the favourability of brand attitude.

2.13. 4 Satisfaction measurement

Operationally, satisfaction is similar to an attitude as it can be assessed as the sum of the satisfactions with the various attributes of the product or service (Caruana and Money, 1996). Satisfaction rating is the "overall evaluation of the product or store under investigation".

There are two broad types of scales used in customer satisfaction surveys, single-item and multi-item scales.

Many researchers have used simple single-item scales (generally having 2-9 points) to reflect "very satisfied" to very dissatisfied" responses (Biong, 1993). The use of this type of scale has been questioned as they provide limited information on components and dimensions and it is very difficult for the researcher to access reliability measures.

As a result, researchers have tended to use multi-item measures of customer satisfaction (Rust *et al.* 1994; Rust and Zahorik, 1993). In this case respondents are asked to rate the key components of the service process.

A large number of scales have been used in satisfaction research including rank order, constant sum, graphical, semantic differential, paired comparison, stapel, and likert scales. These scales can be grouped into three broad categories (Danaher and Hadrell, 1996)

i) Performance scales

ii) Disconfirmation scales

iii) Satisfaction scales

Performance scales asked the respondents to rate service dimensions as poor, fair, good and excellent. In disconfirmation scales, respondents simply rate the product/service with respect to their own expectations (such as worse than expected, to better than expected). In satisfaction scales respondents express their overall evaluation on each dimension using ratings such as very dissatisfied to very satisfied (Devlin *et al.* 1993).

Finally, Westbrook (1980) introduced a delighted-terrible scale whereas other researchers (Cronin and Taylor, 1992; Parasumaran *et al.* 1994) have used service quality measures.

2.13.5 Satisfaction epilogue

Thousands of studies have focused on customer satisfaction. In the early 90's more than 15, 000 studies have been published in this area (Caruana and Money, 1996).

Despite the overwhelming amount of literature surrounding the concept Anderson and Fornell (1994, p.244) note that certain ''key issues have either gone unresolved or have recently been brought into question'' on such issue being the question of what satisfaction actually is.

2.14 Epilogue

The literature concerning store image, has been reviewed and discussed here. Moreover, concepts of customer satisfaction and loyalty have been presented in brief.

Image has had a long history in the study of marketing, and, as a concept, it is one of the cornerstones of consumer behaviour history (West, 1992). However, like many concepts in marketing, difficulties have been arisen in trying to operationalize its meaning. The progress that has been achieved was largely the result of methodological advances, using techniques such as multi-dimensional scaling, semantic differential scales and unstructured measurement techniques.

The existing literature regarding food services is in its infant stage. Literature dealing in particular with store image restaurants is limited. Only a handful of studies concerning restaurant store image exist and, to our knowledge, none in the context of fast food industry (Downey, 1977). On the contrary, there is a plethora of studies in retail store image. Since little work has been done on the dimensions of restaurant image, the present study will be based on the existing literature of the analogous area of store image research. As a result, most of the provided literature is retail-oriented.

On the other hand, Swinyard (1977), argued that restaurants are a special retail outlet. In general, the literature on retailing considered restaurants as specific types of retail outlets and the terminology from retail research has been applied to the restaurant sector (Bloemer and Royter 1999; Chaipopuritana, 1998; Chui, 1995; Ward *et al.*1992; Hilderbrandt, 1988; Swan and Trawick, 1981; Lessig, 1973). Restaurant image, defined as one specific type of retail store image, resulted from functional and emotional perceptions of product/service. The term 'functional' in the previous definition refers to physical properties (such as menu range, price levels, décor and store layout) whereas the term 'emotional' refers to things like a sense of belonging, feeling of friendliness or a sense of excitement and perceived service. A fast-food restaurant image is composed of many dimensions, which interact with each other and influence the type of the overall image that consumers attribute to a specific restaurant.

Restaurant image is a combination of different perceptions of consumers regarding restaurant image dimensions. To our knowledge, no standardized instruments or summated scales exist, for the measurement of fast food restaurants store image in the retailing or foodservice literature. Experts in the field, suggest that using a number of questions to measure each dimension of restaurant image could be used as an alternative method, especially in exploratory studies when a guiding conceptual framework is lacking. For the above reasons an exploratory qualitative research will be conducted at the beginning of this study, in order to find out the attributes that underline store image. It is assumed that qualitative research will uncover the attributes that underline fast food store image together with consumer's understanding and expression for each one. It will also provide an indication about the saliency of both the attributes and dimensions in store image construction. Furthermore, qualitative research will show possible literature gaps.

Much of the work in the marketing area emphasized the implications of image for purchasing behaviour, store patronage and loyalty. Clark and Wood (1996), argued that in hospitality industry specific studies regarding consumer's loyalty are limited and the majority of current literature is retail oriented. The evidence in the literature on retailing (Ozman, 1993; Mason *et al.* 1983; Pathak *et al.* 1974; Kunkel and Berry, 1968), suggested that store image congruity and past purchase experiences (e.g. satisfaction), postulate patronage behaviour (Loyalty). The application of satisfaction and loyalty relationship to both fast food and restaurant settings has been also investigated (Bloemer and Royter, 1999). The application of these theories to the Greek fast food market will be investigated in the present study.

The review of the literature here, aimed to provide the theoretical basis for the various concepts under investigation and to be used as a guide to discuss the issues that arise. The methodology used to explore research questions and to meet our research objectives will be presented in the following chapters.

CHAPTER 3

Qualitative Research

3.1 Introduction

To meet the objective of this research, that is to investigate consumer's attitudes towards fast food burger chains in the area of Thessaloniki (Greece), scales measuring the different aspects of consumer's attitudes need to be developed.

In this case, the purpose of marketing research is simple. It is to consider some consumption experience, put it under a microscope and ask the question, "What is really going on here?'' All of these are key insights, yet the question is raised how does one get them (Durgee, 1986).

The theoretical background of the constructs under investigation has been presented in the previous chapter. The development of an appropriate approach, in order to provide the research framework, is the next step of the research. In developing an approach, qualitative research is often used for generating hypothesis and identifying variables that should be included in the research (Malhotra, 1999).

Qualitative research is the first necessary step, in measuring consumer attitudes and developing measuring instruments, as it can provide information on the variables the researcher is attempting to measure (Churchill, 1979). In this chapter, the theoretical background related to qualitative research, and the focus group discussion methodology will be discussed. In the next chapter a discussion of the empirical results from the qualitative survey will be presented.

3.2 Qualitative Research

3.2.1 Reasons for Qualitative Research

It is a classic research procedure to approach any investigation with the study of the literature and to follow with the development of hypotheses for testing, experimentation, and quantification. In market research, the hypotheses being considered are tested by means of a formalized questionnaire, which is used to elicit responses from a sample of respondents. Qualitative research has often been seen as a useful adjunct to quantitative research, with obvious exploratory functions (Gabriel, 1990). So, qualitative research techniques to assist in hypothesis generation are particularly appropriate in the early stages of a research program.

Qualitative research is an umbrella term covering an array of interpretivist sociological techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world (Van Maanen, 1979).

Gordon and Langmaid (1988) suggested that qualitative research is centrally concerned with "understanding of things rather than measuring them''. In other words a qualitative approach seeks to capture what people's lives, experiences and interactions mean to them in their own terms (Gregory, 1995).

In consumer and marketing research, qualitative research methods are currently being employed to improve our understanding of how consumers make choices. The appeal of qualitative research to marketing research and consumer behaviour is that it helps us to see the world, a market, or a product from the consumers' perspective.

Qualitative research is usually exploratory or diagnostic. In qualitative research no attempt is made to draw hard and fast conclusions. Qualitative research can be used to addresses the "What", "Why" and "How" questions surrounding individual decisions (Marshall, 1996).

Qualitative data consists of detailed descriptions of situations, events, people interactions, or observed behaviours; direct quotations from people about their experience, attitudes, beliefs and thoughts; and excerpts or entire passages from documents, correspondence records without attempting to fit institutional activities or people's experiences into pre-determined, standardized categories.

Technically a qualitative observation identifies the presence or absence of something, in contrast to quantitative observation, which involves the degree to which something is present.

3.2.1 Types of qualitative research

The three approaches of qualitative research according to Calder (1977) are:

i) The exploratory approach;

ii) The clinical approach and;

iii) The phenomenological approach.

Exploratory approach is provisional, in the sense that the aim is either to pilot test for possible quantitative items, or to assemble data in the form of everyday thought and knowledge from which a scientific theory can be constructed. Although the subject of exploratory qualitative research is everyday knowledge, the desired knowledge is best described as prescientific (Sykes, 1990). This approach only becomes scientific when hypotheses generated from such theories are tested empirically using quantitative techniques (Colwell, 1990).

The clinical approach advocates the use of appropriately trained researchers, who are skilled in eliciting a particular type of everyday knowledge, which can then be interpreted in clinical terms. The clinical approach seeks quantiscientific explanations based on clinical judgement (Calder, 1977).

The phenomenological approach finally, attempts to understand consumers through an analysis of their conscious experience that is how they perceive the world. The phenomenological approach seeks everyday explanations derived from personal contact (Calder, 1977). In the phenomenological, like the exploratory approach, we simply collect 'specimens' of behaviour, attitude or language and perhaps classify them into groups, in a way similar to that of a biological taxonomist (Overholser, 1986).

For the needs of the research an exploratory qualitative study has to be conducted. Therefore, it is essential that, in any report of the results and conclusions of a qualitative research project, it is to be stated clearly that the project is exploratory and not a definitive report on the subject. It should also be stated that quantitative research is necessary to arrive in any definite conclusion (Bartos, 1986).

3.2.2 Advantages of qualitative research

The inherent strength of the qualitative research is reflected in its application notably to (Sampson, 1986):

i) Provide background information, to identify and explore new concepts;
ii) Identify salient behaviour patterns, beliefs, opinions, attitudes, motivations;
iii) Identify problems, emerging issues;
iv) Generate hypothesis;
v) Collect data on and prioritise beliefs, attitudes, opinions;
vi) Revisit points emerging from a quantitative study;
vii) Pre-test questionnaires for comprehension, word forms, memory factor;
viii) Address potentially embarrassing or personal fields of inquiry.

Wells (1986) argued that qualitative research is intrinsically superior in the following dimensions in certain ways and for certain purposes.

i) Time;

ii) money;

iii) form;

iv) distance;

v) and, cognitive connections.

Qualitative data have also their drawbacks. They are labour intensive, subject to data overload, prone to researcher bias, time consuming in terms of data processing and subject to limited sampling with the inherent problems of generalization and that is from researchers who recommend their use (Malhotra, 1999; Gregory, 1995).

3.3 Qualitative methods

The main qualitative research methods include focus groups discussions, individual in-depth interviews, and participant observation (Morgan, 1988). But as the nature of qualitative research is such that a number of different approaches exist, is not possible to say at this stage that any one is superior to the others. Faced with a given problem, it would seem to be a case of first of all, deciding on the approach, which is inappropriate, and then apply the others (Colwell, 1990). To explore consumer attitudes, in the present research, it was decided that the first approach should be implied.

3.4 Focus groups

Qualitative research provides an in-depth, if necessarily subjective understudying of the consumer. In practice qualitative research has become almost synonymous with the focus group discussions. This technique involves convening a group of respondents, usually 6-10, for a more or less open-ended discussion about a product (Krueger, 1998; Calder, 1977).

By definition, "a focus group is a carefully planned discussion designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment'' (Krueger, 1994).

Focus group discussions were used for data collection. This method is concerned as a useful mean of data collection in studies where rather little is known about the phenomenon of interest (Stewart and Shamdasani, 1990).

The theoretical advantages of groups are discussed in terms such as synergism, snowballing, security, spontaneity, serendipity and scrutiny, but the main advantage of the focus groups is the interaction between the participants (Krueger, 1998). The interaction can provide additional insights into consumer behaviour. It provides a means of experiencing attitudes, reactions and vocabulary at first hand (Jenkins and Harisson, 1992). However, Sykes (1990), suggested that for the exploratory approach the interaction among the participants is not so important, as this approach implies more participation from key members and more one to one interaction.

Group discussions also provide an opportunity for 'interaction' between the researcher and the participants. They provide an opportunity to get first hand accounts directly from the consumer and also an opportunity to observe social and cultural influences, which are manifest in the group (Marshall, 1996).

Today, focus groups are used in a wide variety of applications and are of particular relevance to a broad spectrum of marketing issues relating to the food industry (Jenkins and Harisson, 1992).

Focus group interviews have been widely used in explorative research, and that is the reason for the application in the present research. The method can provide an often-essential link between qualitative and quantitative research stages. Focus groups often are conducted in the early phases of research before the fielding of a large survey and when a set of objectives has been specified (Czaja, 1998). Researchers may have used qualitative research, to generate or select theoretical ideas and hypotheses, which they plan to verify with future quantitative research (Malhotra, 1999; Kotler, 1997; Jenkins and Harisson, 1992).

For this purpose, focus groups are usually less structured; respondents are allowed to talk more freely with each other. The rationale of exploratory focus groups is that, considering a problem in terms of everyday explanation will somehow facilitate a subsequent scientific approach (Calder, 1977).

As a result, focus group interviews should be viewed as generating hypotheses, and not confirming or rejecting hypotheses. However, Sykes (1990) argued that there is nothing inherent in qualitative research to preclude hypothesis testing. An argument against the application of the hypothetical-deductive method in qualitative research is that it cannot be applied with any stringency.

3.5 Focus groups decisions

3.5.1. Recruiting

There seems to be widespread consensus that recruitment can be a weak point in the qualitative research 'chain', and a corresponding desire to see recruitment practices made more reliable and professional, as qualitative samples are small and not selected by probability methods.

The problems commonly associated with the recruitment process are: Sampling, Acquaintanceship and ''True virgins'' participants, in Marketing Research.

3.5.2. Sampling

The issue, which gains most attention in relation to the validity of inferences made from qualitative data, is to do the sampling (Krueger, 1994). Qualitative research, is, typically based on small samples. The main reason for this is the intensive nature of much data collection and analysis, as large sample prove too cumbersome. Furthermore, Griggs (1987) argued that, large samples are not necessary to guarantee generizability and draws attention to the small sample methods of much academic psychology.

Purists may argue that the group has to be randomly selected to fit specific criteria. In reality however, this is seldom possible and, as the focus group will not be used to make projections for the population as a whole. Moreover, there are no statistical arguments as to why a random sample is necessary (Jenkins and Harisson, 1992).

Therefore, samples are typically purposively selected (Malhotra, 1999). This happens in order to increase the chances of covering the range of issues, phenomena, types of individual etc. Such designs ensure better representation across dimensions of theoretical or applied interest to the researcher. While they are non-probability samples, they should be distinguished from haphazard sampling. Samples should rely on systematic and replicable selection procedures that depend on theoretical expectations about sources of bias in the sample (Mc Clintock *et al.* 1979).

3.5.3. Acquaintanceship

Groups made up of acquaintances are far more effective in generating discussion. A further benefit is in the recruitment process, where a snowballing technique can be utilized (Jenkins and Harisson, 1992). The issue of acquaintanceship has remained unresolved. Nelson and Fronczack (1988) indicated that focus groups can be composed of friends, couples or strangers with relatively little impact on idea quantity and quality''. Their study results suggested that there were no significant effects on the group's output due to respondents' acquaintanceship.

3.5.4. "True virgins" participants

As far as it concerned, the experience of the participants, Hayward (1990) argued that virgin respondents are more difficult to warm up, but with skilled moderation can give a fresher more honest response. Experienced respondents were believed to have a more relaxed attitude, but at worst would be dishonest and over-rational, giving an unrepresentative and potentially misleading response. Malhotra (1999) suggested that people who have already participated in numerous focus groups should not be included. However, Hayward and Rose (1990) suggested the use of a respondent database, as evidences suggest that there was a little significant difference between group respondents with experience of other forms of other researches and 'True virgins'.

3.5.5. Recruitment conclusions

There are many reasons why it can be difficult to get recruitment right. There are powerful pragmatic reasons for tolerating it, when it is a little bit wrong. In the real time nothing is perfect and decisions have to be made on the best evidence available at a given time (Warren and Gragg, 1991).

3.6. Number of focus groups

The rule of thumb that focus groups should be continued until the moderator can anticipate what is going to be said in the groups (usually after three or four groups) applies only to the phenomenological approach. The number of groups for the other two approaches should vary according to when the desired results are usually achieved (Sykes, 1990). So, the number of groups needed, will depend on the subject matter and the variety of patterns and values that can reasonably be foreseen and secured established.

3.7 Group size

Group size should be determined by the number needed for good dynamics: Fewer for complex subjects; more for easy subjects. Moreover, each group should be homogeneous, so that a productive, spontaneous interaction could take place (Malhotra, 1997; Krueger, 1994; Sykes, 1990). On the other hand Calder (1977) suggested that even heterogeneous groups might yield rich information.

3.8. Validity and reliability of qualitative research results

A measuring instrument is said to be reliable if the same answer provided it is used in different occasions. A measuring instrument is said to be valid if it is measures what is intended (Gabriel, 1990). Validity focuses on the meaning and meaningfulness of data. Reliability focuses on the consistency of the results (Patton, 1986).

3.8.1 Validity

The term validity is used in a variety of senses in discussions about qualitative research. The most important distinction is between its use in referring to the kind and accuracy of the information obtained from individual sample units (McQuarrie and Mc lntyre, 1987).

Generally, in qualitative research, as there is no single truth, which exists within the transcripts or the audio tape recordings, the interpretation is very much an individual affair. Interpretation should be playful, creative, intuitive, particularistic, transformative, imaginative, and representative. The interpretation of the research findings is often on going and an integral part of the data collection. The researcher plays a central role in both the collection and the interpretation of the data as the analysis is explicitly 'interpretative, creative, and personal'' (Marshall, 1996). As a result, qualitative researchers are expected to use judgments and apply experience outside the process. They are habitually expected to contribute to decision-making with an authority, which is greater than they could reasonably derive from the research project, on which they are ostensibly reporting.

May (1978) rather cynically suggested that the best researchers are less concerned about discovering the truth than producing an approximation, which is palatable to the client.

Gabriel (1990) concluded that the idea of perfect validity is a chimera, a point made most clearly by the fact that as the researcher struggles to design his or her experiment to increase one kind of validity, the other kind is automatically reduced.

3.8.2 Reliability

Reliability may be also a problem in qualitative research but some variation is to be expected given its highly subjective nature. The main doubts about the reliability of qualitative research methods are that their inherent characteristics are not conductive to replicability (Sykes, 1990).

3.8.3 Validity and reliability tests

There are four tests, which are designed to ensure that the interpretation comes from a set of assumptions and meanings about the study and its subject matter. By these checks the danger of idiosyncratic interpretation is reduced. The four tests are:

i) The credibility test is to present the interviewee or group discussion with your findings and to take account of how it reacts to them. Either the group accepts the interpretation or we have to claim conscious or unconscious motives for its denial. Our choice is either to interpret the denial or to review our conclusions and increase their validity by incorporating elements of the reactions from the group.

ii) The transferability test is satisfied when research shows similar findings amongst similar groups. But even within this check, some interpretation is inevitable; as no two sets of groups can be the same.

iii)Dependability is the humanist research answer to reliability. To establish dependability is to attempt to show that the results were not a fluke, but are reasonably likely to represent a stable construction of events. The obvious way to establish this is to have at least two researchers on any study so that the results may be compared.

iv) Confirmability is the last of these validity and reliability tests from the humanist research standpoint. This check involves the use of auditors whose job it is to review the documentation, notes, methodological statements and any other available documents. Their job is to assess the extent to which they believe that the conclusions are the most reasonable ones obtainable from the data.

Moreover, Nelson and Fronczack (1988) suggested that group output should be analysed by more than one person, with results checked for reliability between and within analysts.

The researcher has employed the above tests in order to assure validity and reliability of the focus groups results. However, a factor gaining recognition as an important determinate of process is the kind of research being undertaken. Sykes (1990) for example, argued that, for a given research method, the validation process will be affected by considerations such as research objective, type of information and analytical framework. Actually ''we achieve valid results not by our choice of method but according to how well we use them'' (Gabriel, 1990).

3.9. Generizability

For the exploratory approach, sample and results generizability is not even particularly meaningful (Lee *et* al. 1997; Wilson, 1996; Greenbaum, 1993). It is misleading, even to speak about the generizability of exploratory focus groups (Calder, 1977). The goal is either to generate ideas for scientific constructs or to compare scientific knowledge with everyday explanations. The error for researchers is to assume that focus groups should be provisional in the sense of yielding preliminary versions of quantitative findings (Calder, 1977). On the contrary, exploratory focus groups only suggest a construct or provide a comparison with everyday knowledge. They do not constitute a statistical test. Results generizability is a property only of subsequent quantitative research (Kotler, 1997).

So, the results might be not generalizable to the population under investigation but, they can provide new insights, and a contextualised understanding of behaviour, which is not available with quantitative techniques (Marshall, 1996).

3.10 Focus group in the research context

It was decided, to conduct a focus group research in order to generate hypotheses and identify variables that should be included in the subsequent research process.

The focus group discussions followed a protocol based on a semi-structured interview guide developed in accordance with established guidelines (Krueger, 1998). The interview guide consisted of instructions for the interview procedure and a checklist of questions/topics that had to be discussed (Brug *et* al. 1995). The analysis of focus groups discussion results will be presented in the next chapter.

3.11 Epilogue

In this chapter the necessity of conducting a qualitative research was supported. Also, the use of quality research methods in the present research has been discussed. Issues concerning problems associated with qualitative research have also been presented.

The appeal of the qualitative research to marketing research and consumer behaviour is that it helps us to see the world, a market, or a product from the consumer's perspective. Therefore, the employment of this kind of research in the context of the present research would help the researcher in scale development and exploration of the issues related to store image, customer satisfaction, and loyalty. Finally, qualitative research is expected to provide the basis for the quantitative research.

CHAPTER 4

Focus Group Analysis

4.1 Research design

The research was designed according to a standard procedure outlined in Stewart and Shamdasani (1990). In order to solicit the opinions of a range of consumers, four focus groups were conducted, in a major metropolitan area, over a period of two months. Although slightly less than originally envisaged, four groups were felt to be sufficient due to the high degree of repetition in the concepts arising from each group, and that new concepts, appeared at a decreasing rate with each consecutive group. Each group profile was arranged either to complement or contrast with preceding groups, thus permitting flexibility in data collection. Group profiles varied by age, gender and socio-economic categorisation (Appendix 1 details the group profiles).

A discussion topic guide was developed according to the research objectives, and followed established protocol (Krueger, 1994). A copy of the interview guide is provided in Appendix 2. A funnel approach was adopted, beginning with an exploration of the broad subject of 'fast-food' followed by a more focused discussion of the elements that comprise store image of fast-food restaurants identified throughout the literature review. Members of the groups were asked to discuss the factors that influenced their choice of a fast-food restaurant, and their perceptions of the marketing strategies that these restaurant chains pursue. They were also encouraged to discuss their experiences at these restaurants, including their likes and dislikes in terms of the marketing mix tools, the overall satisfaction, the reasons to visit or revisit a restaurant and general concerns about fast-food restaurants. The discussions ended with participant's views of general concerns about fast food restaurants as an adjunct to revealing the full purpose of the study close to the end of the group discussions. Each group discussion lasted approximately two hours. The discussions were audio taped and a tape-based analysis was implemented.

4.2 Analytical procedure

On completion of each group, notes were made on three specific areas: (i) the discussion content (including major themes and sub-themes that arose during the course of the discussion), (ii) the group dynamics (the body language and the overall mood of the discussion) and (iii) the focus group development (where changes to the discussion guide and format were recommended).

The above preliminary analyses helped frame the concepts and categories during the first analytical stages of data coding/indexing process. The results were organised around themes-themes that were developed before, during, or after the focus groups.

The data was coded according to its 'coherent meaning' to which concept 'labels' were attached. The coded data ranged from a couple of words to a couple of sentences, with the number of labels varying. For example, data from which a 'product attribute concept label such as 'attitudes about the place' arose, was in many situations also labelled with a 'value concept' such as 'happiness and convenience', reflecting the feelings and motivations behind the specific statement.

The results are analysed and interpreted in the following sections.

4.3 Results and discussion

The group discussions were typified by lively discussions, in which the participants visibly engaged with the subject matter. The members of the groups were familiar with fast food restaurants and showed an enthusiasm when describing their experiences and expressing their opinions.

4.4 Interpretation

The findings derived from the group discussions are presented by first discussing the apparent typologies. Following this, the participant's attitudes towards the attributes that comprise fast food restaurant store image are presented. Finally, issues associated with fast food development are presented.

Prior to the group discussions, there was expected to be a high degree of variation between groups in terms of attitudes and perceptions to the fast-food discussion topics.

4.5 Fast-food definition

The focus group began with a 'round table' discussion of respondent's initial experience of fast-food restaurants.

This term inspired a variety of descriptions, as the participants shared their experiences and general beliefs about the subject.

Most of the consumers agreed that the term fast food means something 'quick'. Fast food restaurants appeal to the working people, or to the 'people on the go'. Consumers eat there, because they 'have to'. Their free time is not enough to prepare a meal for their own, so, they prefer to eat something that it will not take long to be prepared and has uniform quality. So a fast-food restaurant is a convenient place for them to eat. In contrast, they certainly prefer traditional tavernas and ouzeri[4] to dine out with friends, or to entertain themselves. So the term fast food for the majority of respondents means quick food without any symbolic, personal or collective connotation.

"It is something that last only 10 minutes" (group 3)

In addition, the majority agreed that fast-food means quick food without special preparation. Although, they characterised food provided at fast food premises as unhealthy and standardised, they believe that it is tasty too.

"Quick and unhealthy food" (group 3)

[4] Traditional Greek restaurants

"Unhealthy but it tastes great" (group 4)

"Quick with standard taste" (group 1)

Finally some of the participants have identified the term fast-food with a specific restaurant chain.

"Fast- food means Goody's" (group 2 and 4)

4.6 Attitudes towards fast-food restaurants

For the majority of the discussants, the factors affecting attitudes towards fast-food restaurants and projected store image evaluations, comprised from elements of the offer mix (product -service -prices,), the promotional strategy and also the place that the above elements are being consumed.

4.6.1 Product

Considering the menu line, respondents expressed a variety of opinions. Specifically, the majority felt that the range of foods available in the menu list is satisfactory as fast food restaurants not only offer a selection of burgers but, cold sandwiches, fish and chicken, french fries, salads, ice creams and a wide assortment of beverages (soft-drinks, coffee and shakes).

The audience of fast food restaurants is better served by sandwich lunches and take-away lunches than by sit down lunches. So, a lot of respondents and the majority of teenagers and students said that they go exclusively to eat burgers rather than a complete meal.

"In such a place I would not have a complete meal" (group 1 and 3)

"I always eat burger at this kind of restaurant" (group 2 and 4)

On the other hand, the most popular sandwich among the participants was club sandwich, which is a non-burger sandwich.

"I prefer a club sandwich "(All groups)

"Club, it tastes better than the others" (group 4)

"Club; I love it" (group 1)

Several of the respondents agreed that cold sandwiches were considered as tasty, and fast-food restaurants should offer a variety of them. Cold sandwiches are also an alternative choice for vegetarians, as some of them contain no meat. However, only few of the participants reported that they consume only cold sandwiches there.

"I used to eat only cold sandwiches there" (group 2)

With respect to fish, participants thought that the introduction of fish was a good idea but they expressed some concerns about the quality of fish as it is frozen and in Greece you can eat high quality fresh fish everywhere at a reasonable price.

"Fish is not fresh and Greece is a place where you can eat fresh fish easily and relatively cheap" (group 3)

"I would not go to eat fish in a fast-food restaurant" (group 1)

The groups favourably perceived the introduction of chicken, in the menu as participants reported that they prefer chicken, because it is considered to be of higher quality than the mince products. The presentations of the chicken dishes discourage some of the respondents to consume it, because it was not like the traditional way of presentation that they were used to consume so far.

"I prefer chicken because I am not sure about the quality of mince products" (group1)

In contrast, there are customers who like fish and chicken (especially children and teenagers) and some of them said that, since they have eaten fish and chicken at a fast-food restaurant they started to buy frozen chicken and fish at their homes.

"I like fish steaks" (group 3 and 4)

Finally consumers asked for a greater variety of meat products as they think that meat products in comparison with mince products are very limited.

There was general agreement among all the respondents that salads are one of the important products that fast-food restaurants offer. They expressed their preference especially for the salad bar. Participants indicated that when they go out they want to eat something special, or something that they cannot prepare it at home. A salad bar offers them the opportunity to try new and different tastes as there is a variety of different salads.

> "Some salads are unique" (group 1)
>
> "When I go out I always choose something that I can not prepare it at home or I have not tried it before" (group 1 and 2)
>
> "I like the combination of different salads" (group1 and 3)
>
> "Making a salad from the salad bar is an experiment" (group 3)

A ready salad, on the other hand, was reported to be a good alternative when there is a long queue at the salad bar. Besides that, ready salads appeared to be unique and are suitable for trying special tastes and international cuisine specialities (e.g. Mexican salad).

In all groups' statements salads, -especially fresh salads from the salad bar- were considered to be healthier, than the other products that are available at a fast-food restaurant. They noted that salad is an alternative dish, especially for women when they are on a diet. They think also that salads are very delicious and are the right food for summer. A noticeable comment is that salads were, considered by the majority of the respondents as a main dish and it can be a meal itself, where in all the other types of restaurants in Greece salad is a complementary dish or accompanies the main dish.

Participants from all the groups consume pasta at these kinds of restaurants throughout year. However, they complained of the narrow selection of pasta dishes, available at fast-food restaurants. They considered pasta to be a good alternative for meat products especially during the Easter period, when Greeks do not consume meat at all. For the same reason they consume soya and vegetable burgers and some of the salads which are available at the salad bar.

> "Mc Donald's offer Soya and vegetable-burgers as an Easter period menu. So, there are many alternatives for us to consume" (group 2)
> "On Good Friday we were at Goody's and all of the customers they were asking for pasta. When there was no pasta at the restaurant, people started to eat salads without sauce" (group 2)

Desserts and ice creams seem not to be considered as indispensable at the menu line. Many participants admitted that they have not tried a dessert or ice cream at a fast-food restaurant.

> "I wouldn't go to a fast-food to eat an ice-cream" (group 3)

The majority prefer to consume an ice cream either from a speciality shop or to take away from small retail outlets, which offer better value for money.

However, some of the participants mentioned that sometimes they need a dessert after the meal, so they have tried to eat one at a fast food restaurant. They also complained about the limited selection of sweets and ice creams there. Others told that, since the desserts and ice creams are high quality products they would definitely consume them.

Refreshments and alcoholic drinks concerning, groups agreed that refreshments are not good value for money and there is a limited selection of alcoholic drinks. It is also indicated that fast food restaurants should sell beer, but wine is not a good idea.

The research also revealed that some of the consumers like the idea of introducing a breakfast menu.

"I would like to have breakfast there" (group 2)

4.6.2 Taste

Most of the participants said that taste is not a characteristic of fast food restaurants. They also agreed that taste is considered as a very important reason for restaurant selection. In contrast, younger participants said generally, food in fast food premises is tasty. Most of them prefer a specific chain, because they think that taste of the food provided there is better than other chains food.

"Taste is very important for me" (group 3)

"I do not like Mc Donald's and Wendy's food, I prefer Goody's" (group 2 and 4)

Salads and club sandwiches are the most popular and tastiest products. Also consumers find sauces and cold sandwiches very delicious.

"I love sauces" (group 2).

4.6.3 Quality

The term 'quality' is complex. Some participants perceive the term to indicate 'taste', whereas others perceive it as indicating hygiene conditions in production and quality of ingredients used. Therefore, it was considered difficult to gain valid responses related to quality of the products, unless detailed explanations were given to the respondent. So, there was always the danger of measuring something different from which was intended.

There was a general agreement that fast food restaurants do not offer high quality products. Generally, Greeks do not trust mince products, like burgers, because they are afraid of the quality of meat used, as well as the hygiene conditions to prepare them. At the same time, participants agreed that fast food chains have high quality standards and the quality is consistent. Also they suggested that usually fast food chains have better quality than independent fast food outlets.

> "The quality is guaranteed" (group 3)

Most of the participants characterised food as 'plastic' especially meat and mince products. Furthermore, they used the term 'junk food' to describe the quality of fast-food products. Finally, they made a comparison among the fast food chains that operate in Greece and suggested that they differ very much in quality.

4.6.4 Place

Throughout the course of the discussions it became clear that Greeks do not consider fast food restaurants as family restaurants. None of the discussants characterised a fast food restaurant as a 'family restaurant'. As they do not consider a meal there as a 'social event' they strongly agreed that they certainly would not go to eat with their families there. Moreover, some of them said that, a fast food is not even a restaurant.

Participants from the focus group agreed that almost all fast food outlets are pleasant places to eat. Young customers especially, think that a fast food restaurant is the best place for them to eat and at the same time is a good place for socialising. For them fast food restaurants provide a place to congregate and a meal there is a 'social event'. Moreover outlets were mentioned as meeting points for many consumer groups, where participants use to meet their friends, whether they want to have a dinner there or to go somewhere else.

> "Is a place where you can meet your friends" (group 4)

Many discussants, particularly the older profiled participants, were annoyed by the noise, where others expressed the opinion that they cannot eat among so many children and teenagers.

Consumers are very satisfied by the cleanliness of these restaurants. They characterised the fast food restaurant as a 'clean place' and indicated that this is one of the most important reasons for eating there. Several participants expressed their convenience for the toilet cleanliness and almost all of them agreed that this is very important for them. They are pleased by the fact that almost all of the restaurants are air-conditioned, because in Greece temperatures are high, especially during the summer.

Most of the consumers from the four groups indicated that, fast food restaurants should have separate smoking and non-smoking seats. In contrast, they are against the idea of banning smoking at restaurants.

> "Restaurants should have a non smoking area" (group 1, 2 and 3)

The existence of a Kindergarten was important for many discussants. Young mothers especially, prefer to leave their children to play there because they think that is a secure and safe place for children. Moreover, kindergartens inside the outlets provide a good place to organise a birthday party. Also, the provision of special seats for children was mentioned as positive.

Furthermore, the persons taking part in the focus groups suggested the provision of special facilities (special seats etc.) and for disabled patrons as well.

> "It is a safe place to leave your children to play" (group 1)
>
> "It is like going in a park where children can play and eat" (group 1)

Participants indicated that there are site accessibility problems. Fast food restaurants traditionally are located in the centre of each city or neighbourhood. So, on the one hand it is relative easy to find them but, on the other this is a problem for consumers as they have to spend time to visit a fast-food outlet. Participants prefer to eat something else rather than going to a fast food restaurant. Moreover, there are parking problems due to the location of the outlets, which discourage customers from going to eat at a fast food chain restaurant.

4.6.5 Store atmosphere

The overall design of these restaurants perceived as 'very nice' by the majority of the discussants. Colours, materials and the atmosphere were considered to be attractive. Decor design gives a 'happy image' and a sense of cleanliness, so many participants told that they are satisfied from the atmosphere. Of course, some of them do not like the image that these restaurants have. They think that restaurants look like a "Luna park'. Others mentioned that this atmosphere is not suitable for eating. Finally, the atmosphere of the store was characterised as 'cold' and 'impersonal'.

> "I like the colours" (group 3 and 4)
>
> "The atmosphere is rather cold" (group 1, 2 and 3)

The persons taking part in the focus group proposed that fast food outlets should adapt a local image, where they are situated. It has also been proposed that fast food restaurants should have a more traditional image and according to some participants outlets should be more 'Greek'.

Not all of the discussants agreed with this view. Some of them felt that, the image, which these restaurants projected, is one of their assets and consumers are familiar to this atmosphere, so the adaptation of the local or traditional image would not help companies to gain new customers.

"It is good for fast food chains to adapt local images" (group 2 and 3)

"Fast food should be more Greek" (group 2)

"I like this image and I do not want to be changed"(group 4)

"I do not think that the adaptation of local images would attract new customers" (group 3)

4.6.6 Service

Generally customers are satisfied with the service that fast food restaurants offer. Of course some of them prefer fast food restaurants not to be self-service but the majority appeared to have accepted this fact. Especially, married men do not like self-service and when they are alone they choose to eat somewhere else or leave their women or children to bring the food at the table. Others prefer to eat first and then pay like the other restaurants.

Another negative aspect of some fast-food chains is that customers have to put the trays back and pick up the rubbish by themselves. Almost all the persons taking part in the focus groups agreed that this is annoying for the Greek consumer and suggested that this service is already included at the price.

"I will never eat at Mc Donald's because I must throw away the rubbish" (All groups)

"Before a show is not the best thing to do" (All groups)

All the respondents preferred food to be served on plates and to use stainless forks and knives instead of plastic ones. Consumers do not like their food to be served on plastic plates and to use plastic knives and forks. Also, they prefer to have as much ketchup and mustard they want and not have to pay for them.

"I prefer French fries to be served in a plate" (group 1, 2 and 4)

"I do not like eating from plastic or paper plates" (group 1 and 3)

"I do not want to give me pre-packed ketchup and to pay for this" (group 3 and 4)

Queuing is considered as a problem for the majority of the respondents. When there is a long queue they prefer either to go to another restaurant or to take food away. Half of the respondents said that they even change their choices of what to eat depending on the number of people who are waiting in the queue. Usually, they prefer to take burgers or something else, which takes only a few minutes to be prepared. Younger consumers complained because older customers are always served first.

"I do not like waiting in a queue" (group 1, 2 and 3)

"When there is a queue I prefer to go somewhere else" (group 2)

"Servants do not pay attention to the children who are in the queue" (group 1 and 4)

Also customers are annoyed when restaurants are crowded and other customers wait to be seated when they eat. At the same time, all the participants strongly rejected the limitations in time that customers can sit.

Participants wanted fast food restaurants to offer not only the choice of self-serving in-store sitting, but a drive up window service as well, in order to serve those customers who prefer to remain in their automobiles. Finally, consumers asked for fast- food chains to introduce a delivery service.

Concerning employees, customers think that they are kind and friendly. They are also helpful (as many customers-especially older- are not familiar with the names, which are being used to describe food). Discussants do not like the scripts which people who work there are forced to use and complained for the lack of personal relationship between customers and employees.

> "I believe that when they talk with such a kindness they feel very badly" (group 2)
>
> "There is no personal relationships with the people who work there" (group 1 and 2)
>
> "They behave like robots" (group 1)

4.6.7 Price

Price is one of the most important product attributes to the majority of the consumers. The importance of price to the discussants was shown to be dependent on a number of factors, the willingness to pay to eat at a fast food restaurant, the age, size of the family and time of the purchase.

Teenagers seem not to be interested for the prices of the products. Other participants have the same attitude but only in the case that they have been satisfied with the food and service provided. Generally, fast food products are considered to be rather expensive. Consumers said that the prices were lower when fast food had been introduced in the Greek market.

"I think that prices are ok" (group 4)

"Prices used to be lower" (group 2)

"Fast food chains set premium prices for their products" (group 1, 2and 3)

Also, there was a general agreement that fast food products have low value for money. Refreshments and burger meals appeared to have the lowest value for money according to the discussants.

"Burgers and other fast food products have no value for money" (group 1, 2 and 3)

However, young parents think that it is relatively cheap to organise a birthday party at a fast food restaurant and in this case there is better value for money.

"I prefer to organise parties there because I spend less and children are more satisfied" (group 1)

Greek consumers on the other hand, are not price sensitive, as far as the food consumption concerns. So, price offers have minimal effects in attracting new customers at fast -food restaurants. As respondents mentioned, difference in prices is not a reason for visiting a fast food restaurant. Maybe, to their view, only economic refugees can be attracted by a price offer for the meals or the burgers. Store satisfaction is the most important reason to patronise a fast food restaurant and not price offers. Moreover, price cuts cause brand and quality image dilution, as consumers become suspicious about the quality of the products under offer.

"I would never eat at Mc Donald's because there is an offer there" (group 1, 2 and 3)

"When there is a price offer I am not sure about the quality of the products" (group 1 and 2)

4.6.8 Promotion

Advertising, competitions and kid meals offers are the main tools used by fast food restaurants to develop their promotion mix.

4.6.8.1 Advertising

Advertising seems to play a very limited role in the purchases of the group members. It appears to be as an information source and a tool for store image formation, rather than be a factor of the purchase decision itself.

Actually, advertising is used to build up a long-term image for the chains on the one hand and to trigger quick sales for specific products on the other. As almost all fast food chains have well known brand names, they use advertising in order to specify the company's image.

An advertising campaign is geared to families in order to introduce fast food chains as family restaurants. Others chains' advertisements target teenagers in order to persuade them to visit the 'place that everyone should be'. Through the course of the discussions it became apparent, that the discussants found that the latter advertisement policy was more successful than the former. According to them, the target groups of fast food restaurants are children and teenagers. Advertisement strategy focused on families seems worthless for the majority of the participants.

Finally, they complained that advertisement messages are not informative at all. It has been noticed that the core products were not presented and only in a few cases new developments have been advertised. In contrast, companies prefer to advertise the lifestyle of their patrons.

"I believe that advertisement should target at teenagers and children" (group 1 and 2)

4.6.8.2 Offers

As mentioned previously consumers were not attracted by price cuts. In contrast, other promotional tools are more effective (depending on the age of the consumer). For example, holiday's offers from the chains attract older consumers and contests with prizes such as bicycles attract teenagers.

Throughout the course of the discussions it became clear that the primary reason for children to visit a fast food restaurant is the toy offered by fast food chains, in conjunction with a special kid meal. As kids play the role of the 'decider' in the consumption process of a family, parents and grandparents follow their children and patronise the stores that kids choose to visit.

"Children go to fast food only for the toy" (group 1)

"Kid meal is a good value for money because a toy accompanies the meal inside" (group 1)

In general, the only age group that it would probably not affected by offers is the age group between 18 and 30, who have not married yet.

4.6.8.3 Coupons

Greeks told that coupons definitely, would not affect their restaurant selection. However they indicated that if there was a coupon offer for the fast food in which they usually eat they would certainly use it. Furthermore, coupon offers would probably affect their purchases. For example, they have first tried an ice cream in a fast food restaurant, just because there was a coupon offer. Older customers having children are more familiar with coupon offers and they replied that, they would use them, if they had to go and eat with their children.

> "I will use them if there were for the restaurant that I use to go" (group 1)
>
> "If I had coupons I would eat there more often" (group 1 and 4)
>
> "I would not go to a specific restaurant because of the coupons" (group 2 and 3)

4.6.8.4 Logo, signs, brand name reputation

A logo is considered to be very important for fast food chains' store image formation. According to the consumers, a logo is the main symbol that triggers company recognition. This fact, in conjunction with the names that each chain uses identifies and differentiates each company from the competitors. Generally, Greek consumers prefer small international names but some of the discussants said that it would be better if some of the names used by the chains were in Greek language.

According to the participants, word of mouth appeared to be a powerful marketing weapon. As a result, bad reputation is one of the reasons for not going to a specific fast food chain.

> "I do not go at Mc Donald's because no one want to eat there" (group 4)
>
> " I have visited Mc Donald's for first time because I have heard too much about them, the second time was in order to try the food; there was not a third time" (group 3)

4.7 Meal occasions

The majority of the participants usually eat at a fast food restaurant in a work break, or when there are time-constrains to prepare food for themselves. Students, for example, eat there during exam periods. On the other hand, teenagers patronise fast food restaurants either on weekends or after evening lessons at private schools in Greece. Women usually visit a fast food restaurant during a shopping trip.

> "We use to go after school to eat at a fast food" (group 4)
>
> "It is convenient for me to go to eat at a fast food rather than prepare a meal on my own" (group 1 and 2)

Almost all the participants ate at a fast food restaurant during a night out (before or after). Most of them used to visit it returning from a show or from a night-club, late in the night.

Half of the discussants mentioned that they visit a fast food restaurant when they travel (fast food eating has low perceived risk).

"We go there before or after a night out" (group 2 and 3)

"When I travel I use to take a burger" (group 1 and 3)

Children normally patronise fast food wherever is possible. Moreover, birthday parties take place at fast food establishments as many stores provide a special place to cater children parties.

4.8 Characteristics of consumers

Consumers were asked to describe a typical consumer of a fast food restaurant. The great majority agreed that, mostly young people like teenagers and children are the majority of the patrons. Also, working adults and students are frequent patrons of this type of restaurants. Moreover, parents and grandparents patronise these premises in the company of their children/grandchildren. Finally, visitors of the place or people on a business trip are another significant consumer segment.

4.9 General comments

At the end of the discussions, groups were asked to express their views about concerns related with the fast food chains and the lifestyle that they represent. Specifically, they comment on health concerns associated with fast food consumption. Moreover, issues such as environmentally friendly policies and the social responsible image of the companies have been taken under consideration. Finally, standardisation and predictability issues have been discussed.

4.9.1 Health Concerns

Discussants hold the opinion that food, at fast food restaurants is rather unhealthy. Food was characterised as 'junk' and 'plastic'. In addition, participants were aware about the nutritional value of the food served at fast food stores. Consumers do not like the fact that food is frozen. Furthermore, they worried about the freshness of the food (even for the salads). For many discussants, this is a reason not to patronise a fast food restaurant. Also, parents advised children, to avoid eating at a fast food restaurant.

> "I try to persuade my children to go somewhere else to eat" (group 1)

4.9.2 Companies policies

The introduction of a vegetable menu during the Easter period (When Greeks do not eat meat) was perceived as a positive development. Group 2 in particular, mentioned the importance of such an introduction. Generally, persons taking part in the focus groups were happy about this policy. Most of the consumers agreed that the taste of the vegetable menu was not good, but the introduction of this menu (Easter period special menu) showed that companies respect their religious beliefs.

"All the chains should introduce special menu for the people who are religious" (group 2)

Interestingly, non-of the participants mentioned that the vegetable menu was good for vegetarians; instead all focus group members focused on the religion issue.

Environmental friendly packaging was considered as very important by the discussants. Their responses suggest that, Greek consumers ask for the use of environmental friendly packaging by the restaurants and are willing to pay a premium for this. For example, it was mentioned that consumers do not want to use plastic bags to take the menu away. They think that every chain should be sensitive to environmental issues and an environmental friendly packaging would certainly improve company's image.

"Packaging should be environmental friendly" (group 3 and 4)

"I do not like to use plastic bags" (group 3)

Donations and sponsorship were considered by the majority as an alternative way for the chains to advertise their products. Discussants were suspicious about the donations that each chain gives as they considered them as hypocritical. However, they admitted that donations always help to improve company's image but when a company has a negative image a donation would never improve it. Sponsorship was also mentioned as a way for advertising but consumers strongly believe that each chain should sponsor local events.

"Donations are hypocritical" (group 3)

"It is good for the chains to sponsor local teams" (group 4)

4.9.3 Standardisation-Predictability

To the majority of the discussants, marketing mix standardisation across chain outlets is out of the question. Several participants expressed their satisfaction, about standardisation as wherever they go they can eat at a place, which they are familiar with (convenient place). So, when they travel, they prefer to visit a fast food chain to have a meal, rather than looking for something else (especially when they travel abroad). However, they said that if they knew that a restaurant in the place they visit is good, they would certainly choose to go to the other restaurant.

"When I travel abroad I use to eat at a fast food" (group 1)

"The same quality is everywhere" (group 3)

Consumers like the standardisation of the menu and they suggested that chains should standardise their prices as well, because so far there are differences among outlets from the same chain. What they do not like, is the predictability of the people who work there as they behave everywhere with the same manner. Participants also suggested- as it has mentioned before -that outlets should adapt a local image. Following on from this point, most of them suggested that chains should offer in their menu a local "speciality" in order to give people the chance to try local food.

"They should offer local specialities" (group 2 and 3)

4.9.4 Americanisation

Participants considered that fast food is associated with the American way of life. Most of them, said that Greek culture is very different than the American and fast food is closer to American culture. As a step towards their culture consumers suggested that fast food outlets should be closer to the local culture. That means in the participants' view, that chains should adapt local image and offer local specialities.

> "I do not like the American way of life and also their food" (group 2 and 3)

Moreover, consumers considered the American way of diet as unhealthy and they feel that this type of diet is not suitable for them. Salads have improved this unhealthy image of the food provided but still there are many concerns regarding the products offered in Fast food premises. The avoidance of the American way of eating was mentioned to be one of the reasons for visiting a specific fast food chain. To the respondents' view the specific chain's concept is closer to their local food culture, which they think is representative to the Greek way of eating. They believe that products and service provided by the chain are more suitable for them.

> "Mc Donald's are closer to Americans than to Greeks" (group 2, 3 and 4)
>
> "Goody's concept is closer to our local food culture so we prefer to eat there" (all groups)

The Greek chain was the first chain that opened in Greece and consumers used to eat there. So, it was considered as a prototype of fast food restaurants chain.

4.10 Conclusions

The research objective established the need to understand consumer attitudes and perceptions towards fast food Burger chains with specific consideration to store image attributes. Next section highlights the main findings of the focus group discussions.

4.10.1 General Conclusions

The findings of the primary research phase of this project provide some interesting insights. In terms of eating out, fast food restaurants are most commonly described as places where one can feed oneself quickly, at a reasonable price. Participants considered food as quick, unhealthy but with a consistent quality. The results also show that most of the consumers eat there because they have not got the time to prepare food for themselves.

In terms of purchasing food, burgers, Club sandwich and salads are the most popular choices among the persons taking part in the focus groups.

The research highlights the fact that consumer attitudes towards fast food restaurants are product-influenced to a high degree, as taste, quality, and variety of food products are the most influential factors in the formation of the purchase decision. Emotional appeals such as pleasure of being in an outlet and personal image are a secondary influence on the purchase choice.

In the description of the place, the findings reveal two important factors: the cleanliness of the restaurant and its position as a 'place for socialising'. Furthermore, consumers prefer air-conditioned places with pleasant colour. At the same time they want special facilities for children and disabled patrons. The results suggest that a kindergarten should be provided in most of the outlets. Also, there should be a special area inside the outlet for non-smokers. Parking problems and convenience of location were mentioned as important factors for the choice of place.

Discussants considered that fast food products offer low value for money. Greek consumers are not price-sensitive. So, price cuts would not be an efficient tool to promote purchases. In contrast coupons, toy offers and competitions appeared to be more efficient promotional tools to encourage consumers to visit fast food more often.

Advertising should be used to build a long-term image by the chains rather then trigger quick sales.

The majority view was that queuing is a big problem. Also, overcrowded outlets in rush hours can create dissatisfaction among customers. In general, service has been found to be convenient and encourages patrons to revisit a store.

Generally, the respondents have indicated satisfaction with the provision of food and the pleasantness of place to be of great importance for revisiting an outlet. So, we can assume that, a consumer first evaluates the store on specific attributes. Then, the consumer considers how satisfied he/she is with store performance on these specific attributes and finally, decides on that evaluation to re-patronise a store or not.

The fast food restaurant is associated with a night out, a shopping trip and a meal during or after working hours. Also, it is associated with travel abroad or as a place for people to congregate. Generally speaking, fast food restaurant outlets are the meeting places for young people and the places that everyone should visit.

A common perception was that food at fast food restaurant is unhealthy but tasty, which is rather difficult for the participants to recreate it at home.

In terms of authenticity, consumers demand the adaptation of local images by fast food restaurants and the offer of local specialities. Finally they asked fast food outlets, menus and tastes to be more "Greek".

In the next sections of the chapter, the generation hypotheses, based on literature review, research questions and qualitative research will be presented.

4.11 Hypotheses

The aim of conducting focus group in this research was to collect ideas and generate hypotheses, to be verified by quantitative research. Also, focus group research was used as a mean to construct the questionnaire for the quantitative survey.

Taking into consideration the research goal, that is to investigate consumer attitudes and perceptions towards fast food burger chains, and the author's intention to explore opportunities for marketing implications, the research hypotheses, which derived from the research will be analysed in the next section.

Despite the large amount of studies in the literature concerning retail store image, there is little evidence about how consumers evaluate store image of fast food restaurants. So far, there is not any standardized instrument available for the measurement of fast food restaurants' perceived store image. Taking in account the lack of such studies in the literature the next chapters will deal with the development of a summated scale. For this reason, a number of qualitative and quantitative techniques have been employed.

Within the aim of the present study the main objective, considering the evidence from the literature, was to provide a valid item pool for a customised instrument to measure fast-food restaurants store image performance in the market under examination (the local Greek market).

4.11.2 First and Second Hypotheses

The evidence from the literature in retailing suggests that consumer's store image perception is a significant construct in explaining store loyalty. There are several studies that found a link between store image and loyalty (Darley and Lim, 1999; Andreassen and Lindestad, 1998; Ozman, 1993; Hildebrandt, 1988; and Lessig, 1973). Store image was also related to satisfaction (Bloemer and Ruyter, 1998; Ozman, 1993). It was obvious from the literature review that a further exploration of the relationship between store image, satisfaction and loyalty concepts was needed.

Therefore, the first and second hypotheses become central objectives of our research and could be stated as:

H1: Store Image has a positive effect on satisfaction.

H2: Store Image has a positive effect on loyalty.

However, because the focus cannot be only on one player of the Greek fast food restaurant market the initial hypotheses were re-stated as follows:

H1: Multiple item restaurant image measures are significantly related to multi-restaurant satisfaction measures of restaurant chains.

H2: Multiple item restaurant image measures are significantly related to multi-restaurant loyalty measures of restaurant chains.

4.11.3 Third and Fourth Hypotheses

Consumers participated in focus group discussions stated that store image attributes have a strong influence on them for visiting or repatronising a fast food restaurant. In fact, there was a relationship between store image and loyalty. The nature of this relationship has been the focus of a significant number of studies in the relevant literature (Cronin and Taylor, 1992). It has been suggested that there is evidence for a direct relationship between store image and loyalty (Darley and Lim, 1999; Lindquist, 1974)

Therefore, the hypothesis related to the above statements can be stated as:

H4: Store image has a direct positive effect on store loyalty

Customer satisfaction has frequently been advanced to account for customer loyalty (Ruyter and Bloemer, 1999; Oliver, 1996; Hallowell, 1996; Anderson and Fornell, 1994). A number of authors found a strong relationship between satisfaction and loyalty (Bloemer and Ruyter, 1998; Fornell *et al.* 1996; Hallowell, 1996; Oliver, 1996; LaBarbera and Mazursky, 1983).

The evidence in the literature on retailing (Mason *et al.* 1983; Pathak *et al.* 1974; Kunkel and Berry 1968) suggests that store image congruity and satisfaction, postulate loyalty. Qualitative research results have also suggested that store image attributes performance, purchase experiences and satisfaction towards a specific fast food restaurant chain may moderate consumer's loyalty. Rosenbloom (1983) supported the notion that the link between store image and loyalty is indirect. Recently, researchers (Bloemer and Ruyter, 1998) challenged the hypothesis that the relationship between perceived store image and loyalty is indirect with satisfaction acting as mediator in this relationship. It has been suggested that, store image affect loyalty but this relationship is indirect and satisfaction act as a mediator in this relationship. As a result the nature of the relationship between store image satisfaction and loyalty can be stated in the following hypothesis:

H5: Store image has an indirect positive effect on store loyalty through store satisfaction (i.e. mediator effect)

4.11.4 Final Hypotheses

Two further hypotheses concerning the importance of store image possible dimensions have been derived mainly from focus group results. In particular, the adaptation of the local (Greek) culture to the concept of fast food restaurants has been the dominant factor among those factors that influence patronage decision. Another important issue for successful operation of fast food restaurants was the provision of quality food. Therefore, it has been suggested that these factors are critical for store image construction and restaurant performance. As a result, the following hypotheses will be verified in the present study.

H5: The local (Greek) character of the restaurant chains is an important factor with significant influence to the perceived store image of fast-food restaurants in the local (northern Greek) market

H6: There is a positive relationship between buyers' perception of food product quality and their perception of store image.

4.12 Epilogue

Conducting the qualitative analysis is a necessary stage in research process to generate hypotheses, to discount the theoretical constructs, which are relevant to the research problem, and to gain the necessary information and ideas on various issues related to both the product and the market under examination. The analysis was only the first step in the development process of measurement scales and the testing of the research hypotheses.

The next step is to build the scales and, then, to gather data in order to test the reliability and validity. The development of the scales through the administration of a quantitative survey is the theme of the next chapters.

CHAPTER 5

Studying Fast-Food Restaurants Purchasing behaviour in Greece An Analytical Framework

5.1 Introduction

The objective of this dissertation is to investigate store image and patronage behaviour towards fast food restaurants in Greece. Understanding patronage behaviour and using it effectively to modify marketing mix variables can be important for the profitability of the companies involved in the fast food market in Greece.

Effective store image management requires detailed knowledge about the theoretical background and the saliency of the dimensions underlying store image concept. Knowledge of what dimensions comprise the image is valuable input to management information about its business, and to guide their actions towards product development, pricing, promotion, place and marketing strategy. Moreover, it helps them to influence effectively, other store image dimensions, emerging from the literature, such as emotional factors.

No more so than when the market is in flux fast food do consumers change their preferences. So, marketers need to measure store image effectively.

Research on the fast food market in Greece is limited in nature and scope. The only market research available are sector studies. So it has been argued, that store image scales do not exist.

Moreover, McGoldrick, (1998); Amirani and Gates, (1993); and Hirschman *et al.* (1978), suggested that store image dimensions are not consistent from market to market. So, an adaptation of scales developed by previous studies in other similar research settings, in other countries, would not be useful for the needs of the present research.

In the previous chapters, a detailed review on the literature of the concepts under investigation has been discussed. Qualitative research has been conducted and the hypotheses have been generated. In this chapter a detailed framework to develop a store image scale will be discussed. Also, the results from the preliminary (first stage) research will be presented.

5.2 The need for a market specific measurement instrument

So far, there was no attempt to construct a store image scale for the fast food market. Moreover, there has been no previous experience in applying a store image model to fast food restaurants in Greece. Therefore, measurement tools, specific to the market, are not extant.

To measure store image, a scale developed by other researchers, in different settings can be used. Modifying scales to meet the particular requirements of specific market is common practise (Bearden and Netemeyer, 1999; Bearden *et al.* 1993). However, the literature review supported the notion that store image dimensions are not consistent from market to market (McGoldrick, 1998; Amirani and Gates, 1993; Hirschman *et al.* 1978). So, it was considered that it would be more helpful to develop a new measurement scale rather than modifying a scale developed from previous research. The development of the scale is the main issue of the present chapter.

5.3 Central issues related to the development of a measurement instrument

The development of improved measures of marketing constructs is considered critical in the evolution of the fundamental body of marketing knowledge (Churchill, 1979).

This thesis focuses on the development of a scale designed to represent store image construct, having a strong theoretical background, in order to provide marketing managers with deeper knowledge and understanding of the concept. So, a systematic method of scale development should be followed to develop a scale with strong psychometric qualities. A quality building scale will help the researcher to meet the second objective, which is the exploration of the complex relationship between store image, satisfaction and store loyalty using a model in inter-market competition among fast-food chains that operate in Greece in order to underline the importance of measuring and understanding the way that consumers make patronage decisions.

At the same time it is very important for a researcher to reveal the underlying forces of the concepts under investigation in a manner that is visible by retail management. Managers must be able to interpret measures, use them for diagnosis, and take corrective action as inadequacies are indicated by the measures. For the measure to be functional, the manager needs to be able to take action to improve the current situation. It does little good for a retailer to find that the customer is unsatisfied due to uncontrollable environmental factors such as the general state of the economy. Instead the manager needs to focus on actionable and controllable variables (Reardon *et al.* 1995).

Bearing all this in mind, in order to examine the above constructs, a standardised instrument for store image measurement needs to be developed.

5.4 Scale development

A review of the current literature indicates that one area, which offers high potential for the development of an applied scale, is store image (Reardon *et al.* 1995).

In previous sections, an analytical conceptual and empirical framework was constructed and research hypotheses were formulated for investigating consumer attitudes towards fast food restaurants in Greece. To accept and/or reject these hypotheses, market specific scales for measuring the store image concept should be developed.

The need for scale development to be preceded by, and rooted in, a specified framework has been emphasised by a number of researchers (Sweeney and Soutar, 2002; Li *et al.* 2002; Diamantopoulos and Souchon, 1999; Rao *et al.* 1999; Cadogan *et al.* 1999; Wang, 1998; Kim and Lee, 1997; Ahire *et al.* 1996; Reardon *et al.* 1995; Stones *et al.* 1995; Evaggelopoulos, 1994; Flynn *et al.* 1994; Churchill, 1979). The conceptual foundation of the scales was derived from the works of a handful of researchers who have examined the meanings before and/or from a comprehensive qualitative research study that defined the concepts and illuminated the dimensions along which consumers perceive and evaluate it. Then, quantitative data have been gathered to test the properties of these measurement instruments. The application of multivariate methods provided summated scales for the measurement of the concepts.

To measure store image in the context of fast food restaurants for the Greek market, measurement scales should be developed following a systematic research framework for scale development.

5.5 The Churchill paradigm

Churchill (1979) expressed disappointment in the way that marketing constructs measurements were developed. He mentioned that this was mostly due to the fact that, in the 1970's, psychometric theory had little coherence. Also, he noticed that, in most cases, researchers were not following a systematic framework. Thus, he developed a general framework for measurement instrument development.

As he comments, researchers may adopt this framework according to their specific research needs and requirements; but in its general form, it can be used as guideline for measurement development. The framework is presented in figure 5.1

As can be seen from the figure, the first procedural step is devoted to specification of the construct domain; leading to a second step in which several methods were employed to generate items that represented the chosen domain. Step three concerns initial data collection, and such data is purified in step four of Churchill's procedure. Secondary data collection formed step five of the procedure, followed by steps six and seven for assessment of reliability and validity of the measure. The final step was to develop norms, thus allowing the author to attempt standardisation of the developed measure.

Churchill (1979) suggested that coefficient alpha is of prime importance to the purification of constructs, resulting in creation of scale items that contain face validity, and demonstrate required reliability. Following coefficient alpha application, Churchill (1979) used factor analysis to determine the number of dimensions conceptualised as

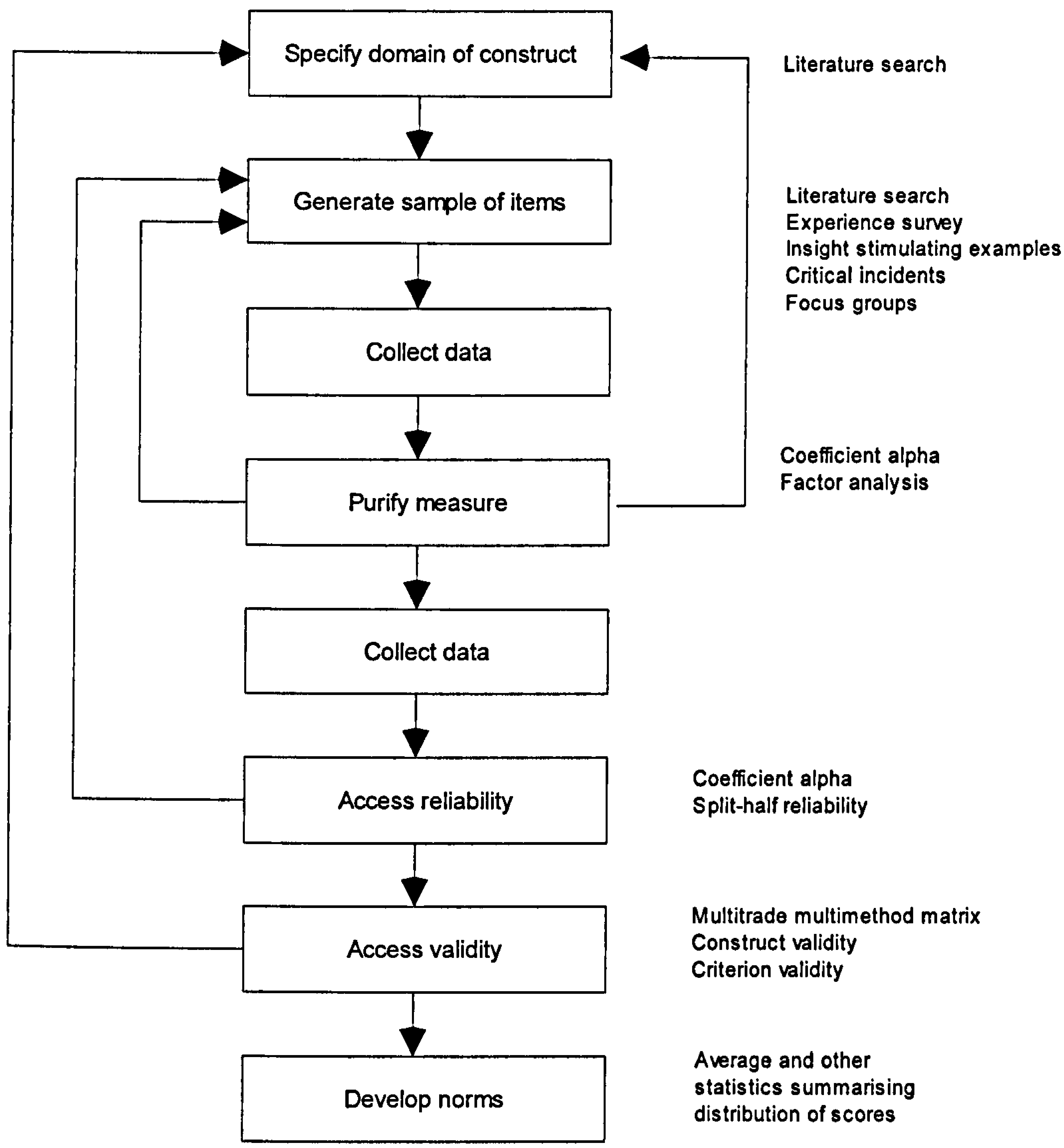

Figure 5.1 Adapted From Churchill, G. A., JR (1979).

underlying constructs that had independent identity by virtue of items that are discrete to each factor. Secondary data collection is resorted in order to form the basis for assessment of the reliability and validity of a measuring instrument and established norms.

A literature review reveals that researchers (Delgado *et al.* 2003; Sweeney and Soutar, 2002; Li *et al.* 2002; Newell and Goldsmith, 2001; Yoo and Donthu, 2001; Rao *et al.* 2000; Diamantopoulos and Souchon, 1999; Pecheux and Derbaix, 1999; Pritchard *et al.* 1999; Cadogan *et al.* 1997; Kim and Lee, 1997; Reardon *et al.* 1995; Evaggelopoulos, 1994; Vandamme and Leunis, 1993; Parasumaran *et al.* 1988; and Mittal 1989) supported Churchill's approach and, in general, the conclusion can be drawn that the Churchillian procedure suggested, seems to lead to valid and reliable measures.

The present study has replicated sections of the Churchill paradigm in order to develop better measures for the audit of fast-food store image. Utilising specified criteria, the store image scale was constructed and tested in several steps in accordance with Churchill's (1979) and Gerbing and Anderson's (1988) recommendations (they suggested a similar to Churchill's approach). In addition, research was guided by the scale development procedures described by DeVellis (1991) and Spector (1992). Thus, the domain of this study was specified; an initial item pool was generated from survey; secondary data collection was conducted. Scale purification was achieved by an iterative sequence embracing factor analysis, coefficient alpha and item-to-total correlation. Finally, validation of the scale permitted the use of the scale in further research.

5.6 An analytical framework to develop store image scale in the Greek market for fast food restaurants

In the previous paragraphs, methodologies related to the development of marketing constructs have been discussed. The exact analytical framework followed by researchers however, depends on the conditions under which research takes place (Karathannassi, 1995). These conditions may limit the researcher's ability to follow Churchill's framework for developing measurement instruments. More particularly, due to convenience and/or resource scarcity, researchers have often conducted one stage research studies, using one sample to develop the scale (Flynn and Pearcy, 2001). Others, have either used purposeful or student samples[5] when developing some of their scale tests (e.g Kim and Lee, 2002; Sweeney and Soutar, 2002; Newell and Goldsmith, 2001; Yoo and Donthu, 2001; Wang, 1998; Evaggelopoulos 1994; Reardon *et al.* 1995; Vandamme and Leunis 1993), or shortened the procedure using modification of scales developed by other researchers (Mehta *et al.* 2000; Bloemer and Ruyter, 1998; Jhonson and Mathews, 1997; Lee and Hing, 1995; Sun, 1995; Chui, 1995; Manolis *et al.* 1994; Baker *et al.* 1994; Bojanic and Rosen, 1994; Swan and Trawick, 1981). The present author chose to adopt the approach described in the previous paragraph to develop a customised scale for fast food restaurants following Churchill's paradigm.

[5] Researchers have suggested that the use of student subjects in measurement development research threatens the external validity and generizability of the findings (Barneete and Duemer, 1986).

5.6.1 Specifying the Domain

When developing measurement instruments, it is important to define precisely the constructs that are to be measured. The procedure for developing measurement scales can then be facilitated if not shortened, because the concept domain has been considerably clarified by earlier research work, and pools of items, relevant to the constructs under consideration, are available from earlier research. Moreover, a detailed specification of the constructs facilitates comparisons with earlier research work related to the subject (Karathannasi, 1995). In the case of retail store image the studies of Oxenfeldt, (1974-75); Lindquist, (1974-75); Pathak *et al.* (1975); James *et al.* (1976); Hirschmant *et al.* (1978); Pessemier, (1980); Malhotra, (1983); Mazursky and Jacoby, (1985); Sirgy and Samli, (1985); Wu and Petroshius, (1987); Hilderbrandt, (1988); Zimmer and Golden, (1988); Gronroos, (1992); Keaveney and Hunt, (1992); Baker *et al.* (1994); Manolis *et al.* (1994); Chui, (1995); Reardon *et al.* (1995); Bearden and Netemeyer, (1993, 1999); Darley and Lim, (1999); Burt and Encinas, (1999), resulted in archetypes of measurement scales that provide a considerable base for the development of new instruments.

Furthermore, the analysis of focus group research provides the customer view of what store image means to them, as well as an indication of the operationalization and evaluation process of store image measurement. Also, provides the wording and most of the questions for the development of the scales. Finally, an indication of the structure and properties of the store image scale is provided.

5.6.2. Generation of scale items

Items representing various attributes of the store image dimensions were generated to form the initial item pool for the instrument. Generation of items for initial instruments it is difficult and risky procedure due to the lack of previous studies.

There are two approaches for item development, inductive and deductive. The deductive approach requires an understanding of the phenomenon to be investigated and a thorough review of the literature. In the second approach, researchers usually generated measures from individual responses (Hinkin, 1995). In the present research, the researcher used a combination of both techniques.

The literature review discussed the attributes used in previous studies. Focus group research provided the consumer's view on the salience of store image attributes. Sample items and dimensions from previously developed scales, in addition to statements from the focus group interview research held with customers of fast food restaurants, provided the basis for developing the questionnaire used in this study. Moreover, previous studies conducted in the restaurant industry, provided a detailed description of the given setting as well as, provided questions and wording qualities of each attribute (Heung *et al.* 2000; Clark and Wood, 1998; Chaipoopirutana, 1998; Cadotte *et al.* 1997; Lee and Ulgado, 1997; Jhonson and Mathews, 1997; Petijhon *et al.* 1997; Jhon and Teas, 1996; Oh and Jeoung, 1996; Rowe, 1996; Stevens *et al.* 1995; Sou lee, 1995; Jhons *et al.* 1995; Lee and Hing 1995; Sun, 1995; Bojanic and Rosen, 1994; Morgan, 1993; Auty, 1992; Ball, 1992;

Spreng and Olhavsky, 1992; Wang, 1990; Cadotte *et al.* 1987; Swan and Trawick 1981; and Downey, 1977). Finally, marketing research books, personal intuition, market research specialist's advice and supervisor's comments on the proposed instrument were used for the generation of the initial set of items. This process resulted in the generation of 57 items. Each item and dimension, were initially screened for duplicate items and ambiguity (DeVellis, 1991).

Schreisheim *et al.* (1995) suggested that content adequacy should be assessed immediately after items have been developed, as this provided the opportunity for the researcher to define and/or replace items before the questionnaire administration.

The list was initially evaluated by four PhD students engaged in marketing research at the University of Newcastle Upon Tyne and the Aristotle University of Thessaloniki. Then two academics and four professionals in marketing further evaluated the instrument. The participants in the evaluation of the instrument have also been asked to classify the items to different dimensions or categories[6]. Recommendations to drop, change, or add items, to mark unclear items, and to provide written comments were solicited.

The purpose was to ensure adequate coverage of the domain of each of the store image dimensions and attributes as well as, to ensure that the statements were unambiguously worded. The results of this evaluation indicated that most statements were understood

6 Finally, these items were revisited by the author and an academic for theoretical content adequacy prior to submitting them to empirical analysis. Content adequacy evaluation is different from an evaluation by judges of whether items reflect defined dimensions, and involved an evaluation of the "theoretical... correspondence between a measure's items and a construct's delineated content domain" (Schriesheim, Powers, Scandura, Gardiner, and Lankau, 1993, p. 389).

without ambiguity. Fifty-one items remained after first content and face validity process, clustered in seven dimensions.

Then the questionnaire was translated into local language using the following process. A Greek, who had sufficient knowledge of the subject and good command of both English and Greek language, first translated the English version of the questionnaire into the Greek language. Then another native Greek, who had sufficient knowledge of both Greek and English languages, translated the Greek questionnaire back into English. The original English version of the questionnaire was compared with the English translation of the Greek version. Questions and wordings of the Greek version were corrected based on these comparisons. The final Greek version, thus obtained, was used for data collection in the first stage of the purification process.

Roughly half of the statements were worded positively and the rest were worded negatively, in accordance with recommended procedures for scale development and in order to reduce the Halo effect (Churchill, 1979). A seven point scale ranging from Strongly agree to Strongly Disagree with verbal labels for scale points 2 through 6, accompanied each statement. An abbreviated version of the instrument containing a set of statements along with directions for corresponding to them is included in Appendix. 3.

A pre-test study was conducted using a sample of 50 students to ensure that the questionnaire could be easily administrated and to further examine face validity. The results of the pre-test study, confirmed that the first stage questionnaire was relatively easy to understand and thus, it was appropriate for further research.

5.7 Sampling and data collection

Churchill (1979 p.66) calls for a preliminary dataset when the domain has been defined and a list of items generated and edited. This first data collection is designed to purify the measures.

The questionnaire contains 51 items, derived from literature review and focus group analysis results. This questionnaire is designed to measure store image for the two rivals of the Greek fast food market (Goody's and Mc Donald's), as rated by a judgmental sample of customers. Sampling design owes much to the suggestions made by, in particular, Hinkins (1995), Spector (1992), De Vellis (1991) and Parasumaran *et* al (1988). Thus the questionnaire surveys were characterised by the following stipulations:

1. The sample size of 300 was chosen.
2. The sample was about equally divided between males and females.
3. The sample visit either Goody's or Mc Donald's restaurants regularly.
4. The sample used a 7-point rating scale.

The administration of the questionnaire was conducted by the user-friendly method of person to person interview. A total of 281 usable questionnaires were obtained from this survey.

The researcher felt that the number of 300 questionnaires was sufficient for this stage of the research as the literature show that other researcher used a similar number of questionnaires or less in order to develop the scales. The following table (5.1) summarises sample sizes and selected concepts from previous researches:

Table 5.1 Sample Sizes

Researchers	**Scale concept**	**Sample size**
Sweeney and Soutar (2002)	Perceived Value	273 for first study 303 for second study
Reardon *et al.* (1997)	Store Image	179
Cadogan *et al.* (1997)	Export Orientation	198 for first study 103 for second study
Li *et al.* (2002)	Advertisement Intrusiveness	87 for first study 57 for second study
Kacmar *et al.* (1997)	Politic	387 for first study 2000 for second study
Saxe and Weitz (1982)	Service Quality	208
Parasumaran *et al.* (1988)	Service Quality	200 for first study 200 for second study
Finn and Lamb (1991)	Service Quality	58-69
Fisk and Ritchie (1991)	Service Quality	200
Richins M and Dawson S (1992)	Consumer values orientation and Materialism	144 for first study 200 for second study
Cronin and Taylor (1992)	Service Quality	84-96
Evangelopoulos (1993)	Lifestyle and Situational scales	320 for first study 2000 for second study
Kim and Lee (1997)	Family measures	107
Stevens *et al.* (1995)	Service Quality	200
Vandamme and Leunis (1993)	Hospital service quality	78
Mc Dougall and Levesque (1994)	Service Quality	88 for first study 325 for second study

Churchill (1979) gives no guidelines for sample size, as there is not an absolute rule of thumb for the number of subjects (Flynn and Pearcy, 2001). De Vellis (1991) stated that 300 is a good general sample size whereas, Spector (1992) for scale development purposes proposed sample sizes from 100 to 200. Finally, Guadamoli and Velicer, (1988) suggested that in most cases 150 observations should be sufficient.

Parasumaran *et al.* (1998) collected data twice using a sample size of 200 respondents, citing other academic researchers to support their choice such as, Saxe and Weitz, (1982) and Churchill *et al.* (1974).

The rationale given by Parasumaran *et al.* (1998) was that:

> *"The sample size of 200 was chosen because other scale developers in the marketing area had used similar sample sizes to purify initial instruments containing about the same number of items as the 97-item instrument" (Parasumaran et al, 1998 p.18).*

It was felt, however, that the proposal of Hair *et al.* (1995, p.373) of a general rule for sample size is helpful. Hair *et al.* (1995, p.373) suggested that there should be at least five times as many observations as there are variables to be analysed. The present author has exceeded the minimum requirement stated by Hair *et al.* (1995) by selecting a sample size that produces approximately six times as many observations (300) as there are variable (50 items) to be analysed. Hinkis (1995) suggested that in scale development studies for organizational research, the ratio of items to responses ranges from 1:4 to 1:10. Therefore, the sample size quoted above is considered to be ample as a reasonable basis for research conclusions.

With respect to scaling of items it is important that the scale used, should generate sufficient variance among respondents for subsequent statistical analysis. Hinkins (1995) suggested that in the great majority of scale development studies, Likert type scales have been used ranging from 3 to 10 points and most of the researchers used a five or seven point response format. Newell and Goldsmith (2001), mentioned that they have chosen to use a Likert response format in order to make the scale 'as flexible as possible', meaning that the scale can be used in personal interviews comparing with, a bi-polar adjective format which is awkward for respondents to use. It has been suggested that Likert scale is easier to be understood by the respondents (Flynn, 1993). Also, the use of five and seven point format has been shown to increase Coefficient alpha reliability (Hinkins, 1995).

5.8 Research

A sample of 300 people in Thessaloniki (Greece) rated the different items for fast food restaurants on a seven point scale marked strongly agree to strongly disagree for fifty one items ranging from quality of food to store personnel and service adapted to the Greek culture.

Respondents were first asked if they were familiar with this type of restaurant (fast food) and then given the questionnaire if they responded in the affirmative. Specifically respondents were asked how frequently they had experienced services in the target industry on a five point scale which " labels" never to very often. In case of a never or seldom response the interview was finished and no further questions were asked. This ensures that the respondent had sufficient experience with the target. After that, the respondents were asked to indicate their degree of agreement or disagreement on a seven-point scale from strongly disagree to strongly agree.

5.9 Criteria to determine items and factors via purification procedure

Factor analysis was applied (Principal Components), combining orthogonal rotation with varimax method. The Statistical Packages for Social Science (SPSS), particularly the varimax procedure in the SPSS package, was used to identify underlying factors of store image in fast-food restaurants. Central to this statistical emphasis, is the conviction that there are three important issues that have to be confronted if the item purification and factor definitions are to be successfully achieved:

i. A method for determining the number of factors to be extracted.
ii. The factor loading value for eliminating or retaining items.
iii. The value of reliability measures for eliminating or retaining items.

It was decided to adapt Churchill's approach for item purification through an iterative sequence. The series of methods utilised include exploratory factor analysis, item-to-total correlation, and coefficient alpha.

5.9.1 Factors to be extracted

There are several methods available to researchers for determination of the number of factors to be considered: 1) Latent root criterion (eigenvalues), 2) A priori criterion 3) Percentage of variance criterion and 4) Scree test criterion (Cattell, 1966). Because the quantitative basis needed for determining the number of factors has not been fully developed, most researchers adopt the eigenvalues method, in which values greater than 1 are considered to dictate the number of factors to be extracted. Hitchins (1995) suggested that the vast majority of researchers have been used the eigenvalue criterion for factor retention whereas, Scree test was occasionally reported. Examples of the latent root criterion (eigenvalues) are evident in the writings of Kaiser (1958); Carman (1990); Hair *et al.* (1995); Li *et al.* (2002). The present author has thus chosen to adopt eigenvalues greater than 1 in conjunction with the Scree tail test as the decision threshold for determining the initial number of factors to be extracted (Hair *et al.* 1995).

5.9.2 Factor loading

The issue of factor loading centres on the degree of correspondence between selected items and discrete factors, translated into the degree of correlation of each item and a specific factor. To decide the factor loading value for eliminating or remaining items, Churchill *et al.* (1974) report that they achieved purification of instrument items via the factor analysis process and state that:

"All items which did not have a loading of at least 0.35 on any factor were eliminated, as were items which loaded heavily on more than one factor" (Churchill, Ford and Walker, 1974, p.257)

Malhotra (1981) applied the following criteria to determine the item pool that will serve to measure the presence of a named factor:

- *High loadings on the factor they represent*
- *High correlations with other items representing the same factor as cluster.*
- *Low correlations with items representing other factors as clusters.*

Hinkins (1995) mentioned that there was a consistency among the scale development studies, in the method used and reported to determine appropriate item loadings, with .40 being the most commonly mentioned criterion. However, in many cases items were retained with as little as .30 loading on a specified factor.

Carman (1990) used two factor-loading values 0.30 and 0.40 to decide retention of test items. Bouman and Wiele (1992) deleted items based on factor loadings less than 0.40 to comprise their final instrument while, Stafford (1994) developed a customised SQ instrument for customer rating of Bank service quality, stating that "all characteristics with factor loading of 0.40 and above were retained". Kim and Lee (1997) used the 0.4 criterion whereas, in Cadogan *et al.* (1997) study, items with factor loadings of .30 were treated as meaningful for interpretation. On the other hand, Vandamme and Leunis

(1993) due to the small sample size employed, retained only items with factor loading over 0.50. The same criterion for item retaining was used by Li *et al.* (2002).

Hair *et* al (1995) pointed out that the factor analysis must pay attention to sample size, the number of variables to be analysed and the number of factors. In summary, the larger the sample size, the smaller the loading to be considered significant; the larger the number of factors, the larger the size of the loading on later factors considered significant and the larger the number of variables to be analysed, the smaller the loading.

Table 5.2. Sample Size and Factor Loadings

Sample Size Needed for Significance	Factor Loading	Sample Size Needed for Significance	Factor Loading
50	0.75	120	0.50
60	0.70	150	0.45
70	0.65	200	0.40
85	0.60	250	0.35
100	0.55	350	0.30

Source: Hair *et al.* (1995).

5.10 Assessing measurement reliability

The assessment of reliability could be considered part of the testing stage of the measure under development (Hiknkins, 1995). The reliability of a measure refers to the extent to which a scale produces consistent results if repeated measurements are made (Malhotra, 1999). Various tests for assessing scale reliability, found in the relevant literature (Norussis, 1993; Churchill 1979), are discussed in this section.

Test-retest reliability is an approach for assessing reliability. It involves repeated measurement of the same person or group using identical scale items under as nearly equivalent conditions as possible (Malhotra, 1999). Lam and Woo (1997) suggested that test-retest reliability, should be used, in performance measures. Stone (1978) suggested that assessing the stability of a measure with a method such as test-retest reliability is appropriate only in those situations where the attribute being measured is not expected to change over time. The major disadvantage of this method is the sensitiveness to the time and information being given to the respondent between the first and subsequent testing. Also, it may have a carryover effect.

Another method of testing reliability similar to Test-retest reliability is the Alternative-forms reliability. Alternative-forms reliability involves giving the subject two forms that are judged equivalent but are no identical. The same respondents are measured at two different times and the results of the two measurements are compared to determine the degree of discrepancy in scores, as in the test retest approach. This method is time consuming and expensive to construct (Malhotra, 1999).

When researchers use several items to form a summated scale score an internal consistency measure is used to assess reliability. In this case each item measures some aspect of the constructs measured by the entire scale and then items should be consistent in what they indicate about the characteristics. It has been reported (Flynn and Pearcy, 2001) that achieving high internal consistency is important for model fit in structural equation modelling.

The simplest measure of internal consistency is split-half reliability. It involves dividing a multi-item measurement device into equivalent groups and correlating the item responses to estimate reliability. In these models, the scale is split in two parts and the correlation between the two parts is examined. The major disadvantage of this method is that the effectiveness of the tests depends on how the scale items are split.

Churchill (1979) proposed that researchers in order to assess the quality of the instrument and overcome the disadvantages of the above methods should calculate ''coefficient alpha''. Coefficient alpha is the most frequently used reliability test when they examine the internal consistency of a measurement scale. Indeed, **Cronbach's coefficient alpha (a)** remains the most widely used measure of scale reliability (Peterson, 1994). This measure will be used to test the reliability of the measurement scales that will be developed for the needs of this dissertation.

5.10.1. Cronbach's Coefficient Alpha

The literature reports that Cronbach's coefficient alpha is the most efficient and used measure of scale reliability. First, Cronbach's coefficient alpha will be discussed, then this coefficient will be used to test and interpret the reliability of the store image scale developed for the purposes of the dissertation.

The store image scale developed for the needs of this research, comprises items that are Likert-Type statements. The basic assumption underlying the sampling of these items is that all belong to the domain of the concept that is being measured. Each item is expected to have:

i) A certain amount of distinctiveness specificity, in relation to the construct that the researcher is 'endeavouring' to capture (i.e. dealing with different aspects of the same dimension), and

ii) an amount of common correlated to the concept.

The higher the level of shared common core, the higher the inter-item correlation is expected to be (Churchill, 1979; Nunally, 1967). A high amount of distinctiveness coming to the scale from separate items might indicate that the scale captures complex construct. In this case, and according to the needs and the constrains of the researcher, it might be fruitful to breakdown this complex construct into simpler underlying constructs, and measure these separately (Karathannasi, 1995).

The **coefficient alpha** or **Cronbach's alpha** is the average of all possible split-half coefficients resulting from different ways of splitting the scale items (Malhotra, 1999).

This definition indicates that the value of alpha depends both on the length of the measurement scale and on the correlation between the items. It has been suggested that an important property of coefficient alpha, is that its value tends to increase with an increase in the number of items (Malhotra, 1999; Norusis, 1993). Therefore, coefficient alpha may be artificially and inappropriately inflated by including several redundant items (Peterson, 1994). Moreover, it has been noted that Cronbach alpha uses restrictive assumptions regarding equal importance of all indicators and the measure of reliability can be biased. An alternative composite reliability measure has been suggested such as coefficient beta (Rao *et al.* 1999).

Cronbach's coefficient alpha has several interpretations. It can be viewed as the correlation between the scale in question and all other possible scales containing the same number of items, which could be constructed from a hypothetical universe of items that measure the characteristics of interests (Ghatani, 1995). Also, as the squared correlation between a particular scale, observed score and the observed score from a scale containing all the possible items in a ''universal set'' (Peterson, 1994). It ranges in value from 0 to 1. Zero indicates no reliability whereas 1 indicates a perfectly reliable scale. The level of alpha considered satisfactory depends on the stage of the research and the objectives of the researcher. Generally, an alpha value of .60 or more indicates acceptable reliability.

The evaluation of the reliability of a scale is based on the value of alpha. To carry out a test for reliability for the items to be selected for the final scale, the researcher needs to calculate the corrected item-total correlation and 'alpha if item deleted'.

Corrected item-total correlation, is the Pearson correlation coefficient between the score on the individual item and the scores on the remaining items. It provides the internal consistency of each item related to the overall items in the scale. 'Alpha if item deleted' indicates the increase in alpha values that can be achieved by dropping unreliable items.

Taking into consideration the early stage of development of scales, an examination of the statistics identified above could give valuable insights for future research on the measurement instruments. For the needs of the first stage research, 'corrected item-total correlation' and 'alpha if item deleted' will be useful and will be reported.

5.10.2 Statistical tools

Three criteria were used to purify the measures: exploratory factor analysis, Cronbach's alpha and item-to-total reliability. Scale purification started with the computation of Cronbach's alpha and item-to-total reliability (Vandamme and Leunis, 1993). Then, an exploratory factor analysis was conducted.

Based on established criteria, the researcher should then determine items to be retained or eliminated from the iteration process, in order to develop the measurement instrument.

5.11 Criteria for item purification

Based on the discussion so far, the present author established the following criteria to determine items to be eliminated or to be retained depending on the magnitude of factor loading values:

i) Items with high factor loading on the factor will be retained at the fist stage of the analysis.

ii) Items with factor loading on more than one factor will be deleted (Parasumaran *et al.* 1988).

iii) Items with factor loading greater than 0.40, will be retained, otherwise they will be discarded.

For the reliability evaluation scores, the following criteria were adopted for the determination of items to be deleted or to be retained:

i. When plotting item-to-total correlation by decreasing order of magnitude, items, which produce a substantial or sudden drop in the item-to-total correlation should be deleted (Churchill, 1979; Parasumaran *et al.* 1988).

ii. Items whose item-to-total correlation equal to or greater than 0.35 should be retained, otherwise they should be deleted (Saxe and Weitz, 1982; Parasumaran *et al.* 1988; Babacus and Mangold, 1992).

iii. Items which deletions produce a substantial or sudden rise in the Cronbach alpha should be deleted (Churchill, 1979; Parasumaran *et al.* 1988).

It should be noted that the exploratory factor analysis and the computation of statistics were conducted after each item deletion, in order to develop more carefully factor structures. So, it was decided that only one item to be altered at a time (Rao *et al.* 1999).

Moreover each factor was treated as a separate scale for development purposes in order to maximise construct validity (required for performance in structural equation model), (Flynn and Pearcy, 2001).

5.12 Analysis of the results

A series of analyses will be presented in this section, a sequence of Factor analysis, item-to-total correlation, coefficient alpha for item deletion, and coefficient alpha value of each factor.

Data collection was by the medium of 281 usable questionnaires, each of which was composed of 51 store image items relevant to fast-food restaurants that operate in Greece. The perceptions of the customers were analysed. As mentioned before, scale purification started with the computation of the Cronbach-Alpha coefficients and the item-to-total correlation's for each of the hypothesised dimensions. Then items were factor analysed, using principal component factor analysis together with a varimax rotation (varimax rotation was selected to guard against multicollinearity and because a factor pattern emerged).

According to the criteria for the numbers of factors cited in the previous section as those having eigenvalues greater than 1.0, sixteen distinctive factors were extracted in the first iteration of third stage analysis. Note that an eigenvalue >1 is used because, for a matrix of rank n, the average eigenvalue is equal to 1. These factors are shown in bold in the table 5.3.

Table 5.3 Total Variance Explained First Iteration. Extraction Method: Principal Component Analysis.

Component	Total	% of Variance	Cumulative %	Component	Total	% of Variance	Cumulative %
1	**7.931**	**15.863**	**15.863**	27	.656	1.312	81.732
2	**3.218**	**6.435**	**22.298**	28	.630	1.260	82.992
3	**2.501**	**5.003**	**27.300**	29	.615	1.231	84.223
4	**2.316**	**4.632**	**31.932**	30	.594	1.188	85.411
5	**1.963**	**3.925**	**35.857**	31	.559	1.119	86.529
6	**1.592**	**3.183**	**39.041**	32	.543	1.086	87.615
7	**1.553**	**3.107**	**42.147**	33	.494	.987	88.603
8	**1.391**	**2.782**	**44.930**	34	.488	.975	89.578
9	**1.365**	**2.731**	**47.661**	35	.478	.956	90.535
10	**1.300**	**2.601**	**50.262**	36	.440	.880	91.414
11	**1.246**	**2.492**	**52.753**	37	.425	.851	92.265
12	**1.193**	**2.387**	**55.140**	38	.410	.820	93.085
13	**1.155**	**2.310**	**57.450**	39	.390	.780	93.865
14	**1.074**	**2.147**	**59.597**	40	.372	.743	94.608
15	**1.055**	**2.109**	**61.706**	41	.359	.718	95.326
16	**1.018**	**2.036**	**63.742**	42	.329	.658	95.984
17	.963	1.925	65.668	43	.311	.622	96.607
18	.952	1.905	67.572	44	.306	.613	97.220
19	.900	1.800	69.372	45	.294	.588	97.808
20	.863	1.726	71.098	46	.266	.533	98.340
21	.861	1.722	72.820	47	.239	.478	98.818
22	.841	1.681	74.502	48	.223	.445	99.264
23	.795	1.590	76.091	49	.203	.406	99.669
24	.752	1.503	77.595	50	.165	.331	100.000
25	.729	1.458	79.053				
26	.684	1.367	80.420				

Churchill (1979) suggested that during instrument purification, the researcher should first calculate alpha coefficients as a measure of internal consistency of the construct of interest, before the application of factor analysis and non-performing items should be removed. When factor analysis is applied before the purification, through the application of the coefficient alpha, there seems to be a tendency to produce many more dimensions that can be conceptually identified. This application may be satisfactory during the early stages of research. However, the use of factor analysis in a confirmatory fashion would seem better at later stages (p.69).

It has been suggested (Miller, 1995) that this approach should not be used on potentially multidimensional set of items, as in the present case. Moreover, Flynn and Pearcey (2001) argued against this approach suggesting that a conceptually important factor may be dropped item by item for failure to contribute to alpha.

As the application of fast-food restaurant store image has never before attempted in Greece, and the review of published studies has showed that only a few researches used a store image approach in the restaurant industry and none in the fast-food sector, it was felt that reasonable assumptions could not be made regarding the structure of store image scale. So, it was decided to make decisions regarding the purification process –in order to be in line with Churchill's recommendations by applying simultaneously the results of exploratory factor analysis and the calculation of coefficient alpha for each factor. Flynn and Pearcey (2001) argued in favour of examining the factor structure and item level contributing to alpha simultaneously as it can enable researchers to make better decisions about an item retention or excision. Others researchers have also performed internal consistency computation and exploratory factor analysis simultaneously in order to make decisions about item deletion (Pecheux and Derbaix, 1999; Flynn and Goldsmith, 1999).

Orthogonal rotation with varimax method was used, to identify the underlying dimensions of the 51 store image items. Factor loadings are shown in the table that follows:

Table 5.4 Rotated Component Matrix First Iteration

Item	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A1		.466														
A10	.584															
A9									.710							
A12																
A2																
A3	.813															
A4	.783															
A6								.805								
A7														.792		
A8														.434		
A9						.410										
B1										.773						
B2					.672											
B3					.639											
B4					.690											
B5					.709											
B6																
C1			.791													
C10	.486			.442												
C11			.471													
C12		.414		.494												
C2			.753													
C3			.646													
C4			.618													
C5		.454														
C6				.683												
C7				.644												
C8				.635												
C9															.503	
D1																.759
D2									.406							
D3																
E1															.633	
E2							.632									
E3							.701									
E4								.814								
E5							.499									
E6						.641										
E7						.687										
F1	.523	.419														
F2												.750				
F3																
F4												.498				
F5		.594														
G1		.734														
G2																
G3						.427										
G4		.610														
G5													.778			
G6		.435														

Test items were retained or deleted according to the following rules:

i). Items with factor loadings greater than 0.40 will be retained.

ii). Items with high factor loadings on more than one factor will be discarded.

Moreover, Churchill (1979) suggested that for an item to be retained it should fit conceptually with other items that have significant factor loadings on the same factor otherwise it should be deleted.

According to these rules, eight items were deleted. Items A12, A2, B6, D3, F3 and G2 were deleted because they have not a factor loading more than 0.40 in any factor. Items C12 and F1 were deleted because they have both high loading on more than one factor.

As previously indicated, 16 distinctive factors were extracted from 51 items. It is now necessary to calculate the item-to-total correlations of each factor, Cronbach alpha for item deletion, and the Cronbach alpha of each factor. An item will be deleted or retained, based on the criteria, which were stated previously. The Cronbach alpha for the scale was a=0,864 and the Cronbach alpha for the factors range was between 0.490 to 0.749.

One item was deleted after the calculation of item-to-total correlations and Cronbach alpha: Item A10 was deleted because its item-to-total correlation is low and its removal increased coefficient alpha of factor 1 from 0.680 to 0.795.

As it can be seen, factors 8 to 16 are represented by only two items each, (factors 9, 11, 16 are represented by only one item) and their item-to-total correlation and Cronbach alpha are low. In this connection it is helpful to remember the statement by Malhotra (1996) and Peterson (1994) that "An important property of coefficient alpha is that its value tends to increase with an increase in the number of scale items''. That is to say, a small number of items is characterised by a small alpha value, and a large number of items is characterised by a large alpha value. Therefore, coefficient alpha may be artificially, and inappropriately, inflated by including several redundant scale items" therefore in the earlier iterative phase of data analysis, these pairs of items will be retained by the present author in his item pool.

The remaining items were then factor analysed and a series of iterative procedures were conducted. Finally the 50 items were reduced to 23 items and seven distinctive factors were extracted in the last iteration of first stage analysis. These factors are shown in the Table 5.5.[7]

[7] **KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,778
Bartlett's Test of Sphericity	
Approx. Chi-Square	1632,930
Df	231
Sig	,000

Table 5.5 Total Variance Explained First Stage Last Iteration

	Initial Eigenvalues		
Component	**Total**	**% Of Variance**	**Cumulative %**
1	**4.942**	**21.487**	**21.487**
2	**2.528**	**10.990**	**32.477**
3	**1.819**	**7.908**	**40.385**
4	**1.593**	**6.927**	**47.313**
5	**1.317**	**5.727**	**53.040**
6	**1.275**	**5.544**	**58.584**
7	**1.081**	**4.699**	**63.282**
8	.840	3.651	66.934
9	.781	3.393	70.327
10	.749	3.255	73.583
11	.667	2.900	76.483
12	.640	2.781	79.263
13	.599	2.603	81.867
14	.573	2.493	84.359
15	.536	2.331	86.690
16	.489	2.127	88.817
17	.454	1.972	90.789
18	.425	1.847	92.636
19	.408	1.775	94.411
20	.377	1.641	96.052
21	.334	1.451	97.504
22	.306	1.332	98.836
23	.268	1.164	100.000

The factor loadings are shown in the rotated component matrix in the following table.

Table 5.6 Rotation Matrix First Stage last Iteration. Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Component							
	1	2	3	4	5	6	7
AQ3		.842					
AQ4		.822					
BQ2			.699				
BQ3			.676				
BQ4			.701				
BQ5			.719				
CQ1	.789						
CQ2	.789						
CQ3	.702						
CQ4	.664						
CQ6					.789		
CQ7					.757		
CQ8					.596		
CQ11	.491						
EQ3							.800
GQ1				.794			
GQ4				.664			
EQ6						.761	
EQ7						.765	
EQ5							.701
FQ5		.438		.548			
FQ3		.416					
FQ1		.581					

The results of the item-to-total correlation, Cronbach alpha for item deletion, and Cronbach alpha of each factor is shown in the following table

Table 5.7 Factors Structure

Factors	**Items**	**Corrected Item –Total Correlation**	**Alpha for Item Deletion**	**Cronbach Alpha**	**Deleted**
Factors1	*C1*	0.5931	0.6741		
	C2	0.5962	0.6748		
	C3	0.5890	0.6759		
	C4	0.4378	0.7338		
	C11	0.3617	0.7552	***A=0.7494***	
Factor 2	*A3*	0.5125	0.7065		
	A4	0.6274	0.6670		
	F1	0.5435	0.6945		
	F3	0.4105	0.7434		
	F5	0.4957	0.7126	***A=0.7496***	
Factor 3	*B2*	*0.5370*	0.6185		
	B3	0.4839	0.6523		
	B4	0.5593	0.6226		
	B5	0.4320	0.6917	***A=0.7081***	
Factor 4	*C6*	0.5148	0.7078		
	C7	0.6101	0.6002		
	C8	*0.5629*	0.6408	***A=0.7337***	
Factor 5	*G1*	0.4641	0.4313		
	G4	0.4258	0.4975		
	F5	0.3633	0.5837	***A=0.6067***	
Factor 6	*E6*	0.5392	-		
	E7	0.5392	-	***A=0.7006***	
Factor 7	*E3*	0.3550	-		
	E5	0.3550	-	***A=0.5234***	

Total instrument Reliability ***A=0,8177***

Application of the rules for item retention or deletion, already cited in connection with the first iteration process, meant that no more items had to be deleted. Thus, seven factors were identified via factor analysis, item-to-total correlation of each factor Cronbach alpha for item deletion, and Cronbach alpha of each factor area. The item F5 has high loading on factors 2 and 5 so it has to be deleted. However, in this stage of the research the author decided to keep it until the second stage of purification process.

Item to total correlation for decisions (on whether items were deleted or retained) were based on the criteria stated in the previous section. According to those criteria, no item had to be deleted in this item-to-total correlation phase.

The total instrument reliability coefficient alpha was 0.8177. In the opinion of Churchill *et* al (1974), those coefficient alpha values over 0.75 satisfy initial research criteria and any instrument scale is worthy of further testing. Later, Churchill *et* al (1982) stated that, in general, alpha values well above the minimally accepted level of 0.7 are recommended for basic research, a view similar to Nunnally (1978) regarding the minimally accepted level of 0.7. For determining the lower limit of acceptable reliability coefficients, Nunnally (1978) suggests that reliabilities of 0.50 to 0.60 are sufficed for early stages of research. For basic research, it can be argued that increasing reliabilities much beyond 0.80 is often wasteful of time and funds. Coefficients above 0.8 are desirable for final stages of research (Peterson, 1994; Bloch 1981; Churchill, 1979; Nunally, 1969).

Furthermore, the alpha coefficient provides a conservative measure of reliability. Novick and Lewis (1967) have proven that alpha is a lower bound to the reliability of a scale and therefore, the ''reliability of a scale can never be lower than alpha'' (Carmines and Zeller, 1983, p.45). Thus for the purposes of this study, Nunnally's (1978) suggestions served as the standard that was consistently applied throughout the analysis.

A summary of scales reliabilities reported in the literature is contained in the following table (5.8).

Table 5.8 Reliabilities

AUTHORS	SUBJECT	SCALE RELIABILITY	
Darley and Lim (1999).	Store image.		0.87 -0.86
Mochis and Churchill (1978).	Materialism.		0.53-0.71
Dabholkar and Thorpe (1994).	Loyalty and Satisfaction.	Loyalty Satisfaction	0.90 – 0.93 0.62 - 0.81
Donovan and Rosister (1994).	Pleasure and Arousal.	Pleasure Arousal	0.88 0.77
Shemwell *et al.* (1998).	Satisfaction.		0.79-0.98
Parasumaran *et al.* (1988).	Service Quality.		0.72-0.85 0.52-0.87
Carman (1990).	Service Quality.		0.51-0.87
Finn and Lamb (1991).	Service Quality.		0.59-0.83
Babakus and Mangold (1992).	Service Quality.		0.75-0.93
Evangelopoulos (1993).	Lifestyle and Situational scales.	Lifestyle Situation	0.51-0.85 0.53-0.83
Vandamme and Leunis (1993).	Service Quality		0.58-0.75
Cadotte *et al.* (1987).	Satisfaction.		0.63-0.89.
Li *et al.* (2002).	Advertisement.		0.88
Mehta *et al.* (2000).	Satisfaction.		0.52-0.86
Stevens *et al.* (1995)	Restaurant Service Quality		0.95
Richins and Dawson (1992).	Cons. Value. Orientation and Materialism.		0.71-0.88

So the remaining questions for the second stage of our research and analysis are: (see Table 5.9).

Table 5.9 Items for second step purification

Items↓
A3. XYZ Use Fresh ingredients
A4. XYZ offer High Quality products
B2 XYZ staff are willing to correct errors
B3 SERVICE There are limited waiting time and not big cues
B4 XYZ Staff are not very helpful
B5 Service is not reliable and consistent
C1. XYZ has a kindergarten
C2. In XYZ there is an appropriate place for parties
C3 XYZ cannot accommodate children
C4 XYZ has non-smoking space
C6 XYZ stores are not always air-conditioned
C7 XYZ has clean dining area
C8 XYZ has not pleasant dining area
C11 XYZ has facilities for disabled people
E3. XYZ price range is reasonable
E5. XYZ products do not carry value for money E6. XYZ offer nice toys for kids
E7. XYZ has attractive in-store competitions
F1. XYZ food is closer to my culture diet
F3. XYZ offer food in the Greek way
F5 The service is right for me as a Greek
G1 XYZ is a nice place to go out
G4 XYZ is a place for fun

It is worth noting that the idea of market segmentation based on attitudes is useful in explaining consumption patterns of fast food customers. It can provide an understanding of loyalty formation that is based on the desired benefits considered as important. However, the scope of our research is different. A scale for measuring store image should be developed in order to provide an understanding of the ways in which retail outlet images are formed in consumer minds. So, market segmentation could be an issue for future research.

5.13 Epilogue

In this chapter, the framework for scale development has been discussed. The researcher specified the domain, collected measurement items, set rules for item deletion, and then conducted a survey as a first step for store image scale development. First stage results will be used as the main tool for further instrument purification.

In the next chapter the construction of the final questionnaire will be discussed. Moreover, other scales to measure concepts associated with store image perceptions will be introduced. Finally, the research process to further purify and test the instrument will be presented. Then, second stage survey results will be presented and discussed in the following chapters.

CHAPTER 6

Developing the Questionnaire

6.1 Introduction

In the previous chapter, the research design and methodology issues have been introduced. Criteria for scale development have been identified and the first stage survey has been conducted.

The resulting instrument from the iteration process will be further purified in second stage administration of the instrument. In this chapter, the development of the questionnaire and the considerations involved in the research design are discussed. Issues arisen in the research procedure identified. Finally, sample and sampling strategy are presented.

6.2 Part one: Questionnaire Design

Malhotra (1999 p. 295) argued that, the great weakness of questionnaire design is 'lack of theory'. He further supported that there are no scientific principles that guarantee an ideal questionnaire. So, the questionnaire design is rather an art than a science (Sheatsleay, 1983).

The number of questions per section included in the questionnaire depends on the type of information the researcher intends to gather. The questionnaire for this research was divided into four major sections. Each section is discussed below.

6.2.1 Section one: Introduction

The first page of the questionnaire was a cover letter explaining the scope and academic nature of the research.

The questionnaire contained five sections. First, the respondents were asked how frequently they had experienced services in the target industry on a five point scale with labels "never", "seldom", "regularly", "often", and "very often". In case of a "never" or "seldom" response, the interview was finished, and no further questions were asked. This question ensured that respondents had sufficient experience with the target (Lips *et al.* 1998).

There are two main reasons for this question. First, restaurants deliver benefits that are often intangible and difficult to evaluate prior to purchase. For example, a restaurant's service and the style and quality of its food cannot be judged until they have been experienced (Ward *et al.* 1992). Also, Wu and Petroshious (1987) suggested that subjects familiar with a store would exhibit a lower halo effect than subjects not familiar with a store. Moreover, as consumers become more frequent users of a restaurant they will place more reliance on information from internal sources (memory) than external sources (advertising word of mouth). Jhons and

Howard, (1998) for example, obtained their data from street-interviews, on the assumption that customers were already familiar with the foodservice style.

The section also contained general introductory questions concerning the respondent's fast food eating behaviour, preferences and store patronage. These questions were included to encourage respondents to think about their experience of fast-food establishments to reduce their uncertainty and increase their confidence.

6.2.2 Section two: Store image measurement

Section two was designed to further purify the measurement instrument and measure perceived store image for fast food restaurant chains. The purified instrument from the first stage research was applied to measure perceived store image towards the two leading fast food rivals operating in the Greek market. Consumers in the real world make their choices having a number of alternatives and comparing with exemplars and prototypes. To the researcher's view, it is of great importance to get consumer ratings for both restaurants simultaneously. It will also help in establishing validity and reliability of the measures. To establish construct validity, a summated measure for store image was included.

6.2.3 Section three: Satisfaction measurement

In order to measure store satisfaction, a modified scale adapted from previous published studies is used instead of developing a new one.

6.2.3.1 Development of an applied satisfaction scale

There are two broad types of scales used in customer satisfaction surveys, single-item and multi-item scales.

Customer satisfaction studies utilized multi items scales in customer satisfaction measurement (Adreasen and Lindenstand, 1998; Hallowel, 1996; Rust *et al.* 1994;; Rust and Zahoric, 1993; Selnes, 1993). Also, many researchers have used simple single-item scales (generally having 2-9 points) to reflect "very satisfied" to "very dissatisfied" responses (Biong, 1993; Westbrook, 1980; Andreasen and Best, 1977). The selection of the appropriate scale for satisfaction measurement is due to the purpose and constrains of the study.

Single-item scales are simple; on the other hand, they cannot provide information on components and cannot assess various dimensions separately. Moreover, the reliability of the scales cannot be estimated unless, a test-retest format employed (Danaher and Haddrel, 1996).

Fornell (1992) suggests that satisfaction can be assessed directly as an overall feeling. Czepiel and Rosenberg (1976) justify the use of a single–item overall measure because it represents a summary of subjective responses to several different facets. Bloemer and Ruyter (1998) asked customers to state their satisfaction or dissatisfaction with the department store (are you satisfied or dissatisfied with the department store and how much are you satisfied or dissatisfied in terms of a percentage varying from 0 per cent to 100 per cent). Biong (1993) measured the construct of satisfaction by a single item: "an overall evaluation of the ...". Most satisfaction scales are Likert-type scales and, usually comprise 5, 7 or 9 point items of the strongly agree/ strongly disagree form (Bloemer and Ruyter, 1999).

In the present study, a single item was used to measure satisfaction towards the two fast food restaurant chains. Overall satisfaction was measured using five-point likert scales ranging from very satisfied to very dissatisfied.

While it has been done in a similar way in previous studies, measuring satisfaction by single items could be a weakness for the study. However, in this research the main research focus was not on the satisfaction concept, but on the complex relationship between store image satisfaction and loyalty, and as a result, some robustness of measurement was sacrificed for parsimony.

6.2.4 Section four: loyalty measurement

The next section contained questions regarding the loyalty of the respondents. To measure consumer loyalty, a scale developed by other researchers can be used. Bearden *et al.* (1993) argued that modifying scales to meet the particular requirements of a specific market is common practise. So in this case, it was considered that it would be more helpful to use a modified or an existing measurement scale adapted from a previous research rather than develop a new one.

6.2.4.1 Development of an applied loyalty scale

Customer loyalty expresses an intended behaviour related to the product or service. The degree of store loyalty can be measured by using various variables. Among these variables are: 1) the percentage of purchases of a specified product category at a chosen store 2) the frequency of visits to the store in relation to other stores during a certain specified period, 3) the ratio of ranking between stores, 4) the propensity to shop at the store in the future and 5) the extent of the customers' willingness to recommend the store to their friends (Osman, 1993). Past studies have used either one or a combination of several of these variables for loyalty measurement.

In the literature, a number of studies operationalise behavioural intentions variables only to measure store loyalty. Specifically, Cronin and Taylor (1992) focused solely on repurchase intentions while, Garton (1995) measured loyalty by the intention of the consumer to return at the shop. Also, in the studies of Biong (1993) and Bloemer and Ruyter (1998), loyalty was measured by the intention to repurchase an item. Chui (1995) used two behavioural measures to store loyalty, namely: purchase intentions and proportion of patronage whereas Keavanay, (1995) examined behavioural intentions variables, such as intentions to switch, or intentions to re-patronise a service.

Several studies have stressed the importance of obtaining a relatively complete description of behaviour in any attempt to analyse this behaviour. Applying this to store loyalty suggests that a multivariate rather a univariate measure should be used (Bellenger *et al.* 1976). Moreover, Dick and Basu (1994) posit that true loyalty only exists when repeat patronage coexists with a high relative attitude. Attitude reflected in the willingness to recommend a service provider to other consumers or the commitment to re-patronise a preferred service provider.

Thus, loyalty should be measured not only with the repurchase intentions but, by operationalising another important element of loyalty: the intended support of the product, expressed in communicating one's experiences, which is the positive word of mouth. Selnes (1993) argued that when a company customer recommends the product to others, this reflects a high degree of loyalty.

Other researchers followed this approach and used the two items in order to measure store loyalty. Boulding *et al.* (1993) focused on the elements of repurchasing and willingness to recommend. Customer loyalty was measured using two loyalty indicators: repurchase probability and likelihood to provide positive word of mouth to potential buyer (Andreassen *et al.* 1997). For purposes of analysis Boulding *et al.* (1993) combined these 2 questions to form a behavioural intentions scale (equally weighted) whereas other researchers such as Zeithlam *et al.* (1990) used the questions as separate variables.

Still, most of the studies, such as Bellenger *et al.* (1976); Taylor and Baker, (1994); Hallowell, (1996) and Grewal *et al.* (1998), used a combination of three or more item scale to measure store loyalty. Ruyter, Wetzel and Bloemer (1998) in their study suggest that there are three dimensions of loyalty that can be identified: preference loyalty, price indifference loyalty and dissatisfaction response. Sirohi, McLaughlin and Wittink (1998) measured store loyalty intentions by intent to continue shopping, intent to increase purchases and intent to recommend the store.

As there is no evidence as to which combination better predicts store loyalty, reliability and validity tests should be performed on whatever combination is used to measure store loyalty.

The present study measures both behavioural (intent to repurchase) and attitudinal loyalty (word of mouth communication). Loyalty was measured as a combination of the already existing scales using three indicators. The first was the likelihood that the customer will continue the relationship with the vendors. The second item measures the intent to increase purchases and the last item addresses the degree to which respondents would recommend each store to others, creating positive word of mouth.

6.2.5 Section five: Demographics

In this section, questions to determine the demographic profile of the respondents were asked. This information was gathered for use in future data analyses that are beyond the scope of this dissertation.

6.2.6 Questionnaire format

The questionnaire was designed according to the suggestions of Sheatsley (1983).

First, the respondents should have knowledge or awareness of the issue. Almost always, researchers should include some measure of knowledge, so they can distinguish among the well informed, the poorly informed and the unaware.

Questions on one subject or one particular area of a subject should be grouped together and asked consecutively, before proceeding to the next subject, or the next area.

When questionnaires include a number of different topics, it is helpful to prepare the respondent for a shift in attention by saying something like
"Now I have the question"
Respondents normally enjoy a change of pace or different kind of task in the course of an interview.

Other suggestions focused on type and size of letters as well as, space and question writing.

Garbarino and Jhonson (1999) argued that the above suggestions are recommended, in order to eliminate 'halo effect'.

6.2.7 Questionnaire application issues

Two broad issues regarding the administration of the questionnaire have been arisen, these are: instrument translation and the use of negative questions.

6.2.7.1 Instrument translation

The original questionnaire was written in the English language. The research requires the translation of the measuring instrument from one language to another to test hypotheses about underlying store image dimensions (Brislin 1970; Berry, 1969).

Although variables that influence the translation have been generated, what constitutes a good translation is a debatable issue among researchers (Bracken and Barona, 1991; Brislin 1980; Nida 1976).

Firstly, the translation needs to be loyal to the original context of the source instrument. Then the translation should reflect a cultural understanding and cultural effectiveness of the target language. This is called functional quality of the translation (Bricken and Barona, 1991). Also, the translators should know well both the source and the target language. They should have a linguistic-cultural understanding of both languages cultures. Moreover, translators should be familiar with the subject matter (Nida, 1976).

The most widely accepted and applied technique is the back translation (Bracken and Barona 1991, Werner and Campbell 1970). The advantage of the back-translation technique is that it offers the opportunity for revisions that can enhance the reliability and accuracy of the translated instrument (Brislin, 1980).

A number of studies have used the back translation technique (Chaipopuritana, 1998; Lee and Ulgado, 1997; Rao *et al.* 1997). For the purposes of this study, back translation was employed as the major translation technique in both first and second stage analysis.

The translation process in the first stage was described in chapter 5. In this case the same method was followed. The questionnaire was first translated into Greek by two different bilinguals who had sufficient knowledge of the subject. Subsequently, it was back translated into English by two different bilinguals. Directions regarding the purpose of translation and the objectives of achieving functional quality and cultural meaningful equivalency were communicated to all members of the translation team.

The researcher compared the original English version of the questionnaire to the two translated versions provided by the team members to detect any discrepancies. Translations, like all intercultural communications, never match precisely the similarity of the measurements (Peterson *et al.* 1995). This was considered as an indication of the reliability of translation that was conducted throughout the whole process. Questions and wordings of the Greek version were corrected based on these comparisons. The final Greek version, obtained, was used for data collection in the second stage of the purification process[8].

6.2.7.2 Negative wording

Many psychometricians (e.g., Anastasi, 1982; Nunnally, 1978) have generally made the broad and general recommendation that both standard ("positive") and reverse-scored ("negative") items should be included in applied research instruments so as to control for response biases (such as "acquiescence" or agreement response tendency).

[8] The original questionnaire is provided in appendix 4.

This recommendation has implicitly been based upon the assumptions that: (a) such response biases are serious threats to instrument validity; (b) reverse-scored items can be used without serious negative consequences (i.e., that such items have no major adverse side-effects on the psychometric properties of an instrument); and (c) no major differences exist in psychometric quality between the two types of positively-scored items.

This appears to mirror the practice of scale developers, who often mix positively and negatively, worded items in the item pools in order to avoid agreement bias (Cadogan *et al.* 1999; Spector, 1992).

However, a number of studies have shown that reverse-scored items often negatively affect the reliability and/or assumed validity of measures (Fisk and Ritchi 1991; Schriesheim, Eisenbach and Hill, 1991). The inclusion of reversed or differentially-worded items may distort factor-analytic results by causing the appearance of artificial factors composed largely (or entirely) of these items. For example, Schmitt and Stults (1985) noted that factor-analytic studies of field-collected data often report that a majority of reverse-scored items load on one or more separate factors. Babakus and Boller (1992, p.262) also found negative wording effects. The negatively worded items have different load factor from the positive items, and the authors commented that ''the direction of wording has created data quality problems''. Schriesheim and Eisenbach (1991) concluded that it seems most reasonable that only regularly-worded items should be used in questionnaire measures.

However, in the present research, mixed item formats have been employed in order to reduce the ''hallo'' effect (Wu and Petroshious, 1987). A number of adjustments due to the above findings have been made following the recommendations offered by Schmitt and Stults (1985).

First, questionnaire instructions should make it clear to respondents that some questions will be negatively phrased and that careful attention should be paid to all the items on a questionnaire.

Only a few questions have been worded negatively in order to reduce response bias and attract the attention of the participants when they were bored and, consequently, inattentive on how they are scored.

Third, the researcher was very careful in interpreting the negative worded factors when there was a good reason to suspect that the respondents attempted to sabotage the research effort or were likely to be careless.

Moreover, data will be inspected for unusual patterns of responses (extremely deviant responses should be deleted prior to subsequent analysis).

Finally, it also seems reasonable to suggest that researchers who employ items with different wording formats should routinely test for item wording effects (using CFA procedures), before employing their data for substantive (i.e., hypothesis-testing) purposes. Otherwise, it is possible that item wording effects will go undiscovered, perhaps impairing results and distorting substantive conclusions.

6.3 Part Two: Research Design

To test the measurement properties of the questionnaire, a quantitative research was undertaken by the researcher. A brief discussion of the research design will be presented in the following sections.

6.3.1 City of research- Thessaloniki

The research was performed in the city of Thessaloniki, Greece. Thessaloniki is situated in the northern part of Greece and is the second largest city with approximately a million inhabitants. The city hosts the Aristotle University of Thessaloniki, which is the largest University in the country with more than 65.000 students.

Thessaloniki has a long-standing food culture. The latter has been the result of the city's geographical position that facilitated the transformation of the city into a trading and cultural centre for several centuries. The merging of different cuisines involving western and Middle East traditions has led to a multidisciplinary culinary tradition. The latter has now been stimulated by the variety of ethnic minorities (such as Slaves, Turks, Asians, south Americans), which live in the city and have brought a variety of different foods and eating habits from their countries.

Ethnocentricity and patriotism feelings are strong among the people of Thessaloniki whereas people can be characterized as rather conservative in their behaviour and beliefs.

In Thessaloniki, a large number of fast food outlets were in operation during the research. The great majority of them are traditional type operations such as Souvlaki, and Bougatsa (traditional local pie) shops. However, a number of thirty-six burger fast food chain outlets (31 Goody's and 5 Mc Donald's) were operated successfully (National Statistical Service, 1999).

The majority of fast food chains outlets are located in the city centre or in the main roads and high streets spots of the neighbourhoods. In contrast, traditional type outlets were situated in every corner of the city. As a result, the number of operations cannot be precisely calculated. National Statistical Service (1999) estimation gives the number of four thousand establishments.

Both Goody's and McDonalds operate in Thessaloniki. So, consumers have adequate experience of both chains and it is relatively easy for them to compare and evaluate each other on the basis of store image attributes.

6.3.2 Place of research

The administration of the questionnaire was conducted in four places in the inner city of Thessaloniki, Greece. Specifically, research was conducted in high street spots, where both rivals operate stores. Two of the places were situated in the city centre one in the west part and the other was in the east sector of the city.

Deciding the place of the research is not an easy task. In contrast, a number of considerations should be examined.

A review on the restaurant literature indicated that almost all studies have been conducted inside the outlets (Soriano, 2002; Chaipopuritana, 1998; Lee and Ulgado, 1997; Sun, 1995; Chui, 1995; Cadotte *et al.* 1987; Swan and Trawick, 1981; Downey, 1977). Researchers collected information during or after the dining experience (Bojanic and Rosen, 1994; Wang, 1990 and Cadotte *et al.* 1987, have also asked for pro-dining information).

Moreover, Oliver (1981) suggested a definition of satisfaction, which stipulates that satisfaction, decays rapidly, into attitude. According to this view, a measure of immediate past usage satisfaction would yield the highest construct validity of satisfaction measurement (La Barbera and Mazursky, 1983).

So, it was felt that the research should be conducted inside or just outside fast food establishments. Heung *et al.* (2000) interviewed subjects outside restaurants to study satisfaction and service quality in the restaurant sector.

The research has been conducted in places where both fast food chains operate in order consumers have a visual contact of both chains. Visual contact is necessary for store image attributes rating. Otherwise, photographs of actual store settings have been used (Manolis *et al.* 1995; Bitner, 1990). Mazursky and Jacoby (1986) provided pictures of a store's interior as cues for consumers to use in judging merchandise and service quality. Baker *et* al. (1994) used a series of pictorial representations and videotapes.

Moreover, Zimmer and Golden (1988) suggested that store image, in addition to specific attributes, may be described in terms of examples of prototypes or exemplars. The outlets operated in high streets are typical of fast food chains and can be considered as exemplars of each chains concept.

Care was also taken to randomise the data collection as far as place and time of data collection was concerned. In order to achieve this objective, data were collected from four different high streets spots in the inner city of Thessaloniki where both rival chains are operated. Two of the places were situated in the city centre, one in the West Side of the city and the other one in the east sector of the city. The wide geographic distribution was used to reduce the potential geographic bias and to increase external validity (Reardon *et al.* 1995; Hirschman *et al.* 1978).

6.3.3 Implementation of the research

The researcher contacted fast food chain managers explaining the academic nature of the research and received permission to collect data outside fast food outlets.

The data was collected through a 'supported' questionnaire method. Using this method each questionnaire was completed by customers as they come out of the stores in the presence of the researcher. The presence of the researcher generally decreases the number of the 'don't know' answers (Ghatani, 1995). Moreover, the researcher can clarify matters, and provide explanations if the respondent is confused about the questions. This approach was chosen in order to obtain more relevant responses. A systematic sample of every fifth person who comes out of each store was utilised. In order to improve the response and eliminate response biases, interviews were conducted every day of the week. Completion hours were rotated from day to day in order to cover al the key eating hours.

As customers were selected at random after eating in restaurant outlets located in geographically differentiated venues, there was no discrimination with regard to gender, or income level.

Respondents were first asked if they had visited both chains and the monthly frequency. Respondents with two or more visits per month to each fast food chain, qualified for inclusion in the sample unit.

6.3.4 Sampling

Generally, sampling techniques may be classified as non-probability and probability techniques. In probability sampling techniques, sampling units are selected by chance. On the other hand, non-probability sample techniques rely on the researcher's judgment (Malhotra, 1999; Sapsford, 1999). Commonly used non-probability techniques, include convenience, judgmental, quota and snowball sampling.

A quota sampling procedure was employed in this stage of research, the quotas being selected from the publication of ICAP (one of the most known Market Research Companies in Greece). High school students, parents and grandparents with small kids, professionals, and university students formed the quotas. Quota members have been selected using a systematic approach.

These four quotas were felt to consist a sufficient sample of the entire patron population. According to a study conducted by a large marketing research company for NEA newspaper (5/2000), patrons younger than forty-five years old accounted for the 85% of the customers. Key Note (1999) noted that the highest of fast food restaurants consumers is found between the 25 to 34 years of age group. Moreover, a market research company operated in Thessaloniki (Greece) advised the researcher in the selection of the sample. However, due to the lack of official statistical and demographic data and due to the research nature, the sample can be characterized as sufficient for the use of the research.

Quota sampling has been used in many studies (Manolis *et al.* 1994). Researchers conducting previous studies of the fast food industry have used similar demographic quotas. In Downey's (1977) study of attitudes towards fast food restaurants the quotas consisted of the following patron age groups 15-19 (52.2%), 20-24 (14.3%), 25-34 (11.2%), >35 (2%). Twenty years later, Chaipopuritana (1998) interviewed mainly young patrons to assess service quality of fast food restaurants in Thailand. However, in a similar study in the USA, where the market is mature, 17% of the patrons questioned were over forty years old. In a comparable study conducted by Lee and Ulgado (1997), 95% of the respondents were under the age of thirty. It has also been argued that the majority of fast food restaurant patrons are students (Auty, 1992).

6.3.5 Sample size

In the second stage of the research, a sample size of 400 was used, which compares favourably with other researcher's sample size. For the research needs, the size of four hundred questionnaires was felt to be sufficient. Parasumaran *et al.* (1988) mentioned that the sample size of 200 was chosen because other scale developers in the marketing area have used similar sample sizes. In similar settings, researchers have used relatively small samples. Chaipopirutana (1998) measuring service quality in fast food restaurants used a sample of two hundred respondents, whereas Sun (1995) measuring customer satisfaction in restaurant dining used a sample of four hundred (282 usable) respondents. Karathannassi (1995) used a sample of three hundred in a study conducted in Athens, in Greece, a city with four times the population of Thessaloniki.

According to Hair *et al.* (1995, p.373), a minimum sample size should provide at least five times as many observations as there are variables to be analysed. In this stage, there are 23 items to factor analysed and 400 questionnaires; this means that the present author has exceeded the minimum requirement of 115 questionnaires recommended by Hair *et al.* (1995).

6.4 Epilogue

In this chapter, the questionnaire and research design have been discussed. Issues relative to the research objectives and problems arisen have been identified. A brief presentation of the sample and sampling strategy was provided. The next chapter will discuss the results of the second stage purification process and the final store image scale will be developed.

CHAPTER 7

Second Stage Results

7.1 Introduction

The next step in the research was to further refine the measures using exploratory factor analysis. The purified scale from the first stage research will be employed in the second stage questionnaire. The collected data will be used for further iteration according to Churchill's (1979) procedure. The iteration process will result in the final store image scale.

The second stage questionnaire contains 23 items derived from the previous stage analysis. This questionnaire is designed to measure store image for both rivals of the Greek market (Goody's and McDonald's) at the same time. The questionnaire is a performance based instrument, and adopts the convention of using the names of the fast-food restaurants.

7.2 Pre Test

A pilot test was conducted to pre-test the instrument that was to be used in this study. The questionnaire was pre-tested in two stages. First, ten marketing students were asked to judge the questionnaire. Students were asked to complete the questionnaire and to comment on any points they did not understand or had difficulty answering.

The questionnaire was revised according to feedback received. Minor changes in the wording and question order were made. The resulting questionnaire was used for the second stage of the pre testing.

Then the survey instrument was distributed to two academics and five marketing experts with experience both in academic and applied research (Table 7.1). The experts commented on the instrument and provided a useful feedback regarding the quality of the questionnaire. They indicated that the content of each component was well represented by the items included in the questionnaire. These procedures are entirely consistent with attaining high content validity (Cadogan *et al.* 1999; Subba *et al.* 1999; Kacmar and Carlson, 1997).

Moreover, they commented on the questionnaire layout and wording. Minor changes in the wording have been made from the pre-test process. In the case of satisfaction, the great majority of the respondents confirmed the choice of one item scale, measuring the overall satisfaction instead of three items scale due to the meaning confusion in the second case. Minor changes in the wording of the instrument were made. Based on the feedback provided, only minor modifications were made.

Table 7.1 List of Experts

	Experts	
1	Professor of Agricultural Economics and Food Marketing	Aristotle University of Thessaloniki
2	Assistant Professor of Agricultural Economics and Food Marketing	Aristotle University of Thessaloniki
3	Marketing Director	Mevgal, Thesaloniki
4	Marketing Director	Hellenic Sugar Company
5	Market Research Expert	Thessaloniki
7	Market Research Expert	Thessaloniki
8	Market Research Expert	Athens

7.3 Sample

The customer sample was determined using the following criteria:

i) A sample size of 400 was chosen.

ii) All participants in the sample had experienced fast food eating, either at Goody's or McDonald's, during the last month.

iii) The sample used a 7-point performance rating scale.

The administration of the questionnaire was conducted in four places in the inner city of Thessaloniki. A total of 305 usable questionnaires representing a 76% rate were obtained from the fourth stage survey. Prior to analysis data was inspected for unusual patterns of response such as incomplete questionnaires or questionnaires with extremely deviant responses. These questionnaires were excluded from the analysis.

7.4 Analysis of second stage results

A measure purification process, the goal of which was to obtain a set of reliable items, is presented in this section. The process encompassed a sequence of factor analysis, item-to-total correlation, coefficient alpha for item deletion, and coefficient alpha value of each factor. The process is based on an iterative procedure involving the following steps: 1) A check and evaluation for the number of factors, factor loadings and the meaning of the items for each hypothesised dimension, 2) An evaluation of reliabilities, 3) The deletion of items that do not fit with the above criteria, 3) A repetition of step 1 and 4) The confirmation or disconfirmation of the factor pattern.

Data on the 23 factors thought to affect store image were collected from 305 usable questionnaires, for both market rivals in the Greek market, Goody's and Mc Donald's. At the time of the conduct of the empirical work, only Goody's and Mc Donald's were operating in Thessaloniki.

According to the criteria for the number of factors cited in the previous chapter as those having eigenvalues greater than 1, six distinctive factors were extracted in the first iteration of second stage analysis. [9]

Table 7.2 Factor Analysis Results

Factor	Eigenvalue	Pct of Variance	Cum Pct
1	**5.715**	**24.849**	**24.849**
2	**2.307**	**10.030**	**34.879**
3	**1.575**	**6.849**	**41.727**
4	**1.318**	**5.730**	**47.458**
5	**1.217**	**5.293**	**52.750**
6	**1.124**	**4.885**	**57.635**
7	.963	4.187	61.822
8	.915	3.979	65.801
9	.852	3.706	69.507
10	.806	3.505	73.012
11	.735	3.196	76.207
12	.699	3.038	79.245
13	.666	2.895	82.141
14	.625	2.719	84.860
15	.514	2.234	87.094
16	.490	2.128	89.222
17	.465	2.022	91.245
18	.411	1.788	93.033
19	.384	1.670	94.703
20	.351	1.526	96.229
21	.347	1.508	97.737
22	.288	1.251	98.988
23	.234	1.012	100.000

[9] The factors then were rotated using a varimax rotation in order to identify possible underlying dimensions.

Table 7.3 Rotated Factor Matrix: Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization.

	Factor					
	1	2	3	4	5	6
VAR00001				.652		
VAR00003				.801		
VAR00005			.694			
VAR00007			.414			
VAR00009			.688			
VAR00011			.483			
VAR00013		.680				
VAR00015		.634				
VAR00017		.653				
VAR00019						
VAR00021						
VAR00023						
VAR00025						
VAR00027						
VAR00029	.406					
VAR00031						
VAR00033						.769
VAR00035						.466
VAR00037	.586					
VAR00039	.730					
VAR00041	.678					
VAR00043					.799	
VAR00045					.692	

A Rotation converged in 8 iterations. Test items were retained or deleted according to the following rules:

1. Items with factor loadings on more than one factor will be discarded.
2. Items with factor loading greater than 0.4 will be retained.

According to these rules, six items were deleted: V19, V21, V23, V25, V27, and V31. In this phase of the purification process, the researcher deleted items one at a time, so Steps 1 and 2 have been repeated several times following the suggestions made by (Kim and Lee, 1997). After the deletion of the above items, the remaining items were factor analysed and again a six-factor solution have been yielded.

Table 7.4 Total Variance Explained

Factor	Total	% of Variance	Cumulative %
1	4.836	28.444	28.444
2	2.104	12.375	40.819
3	1.383	8.137	48.956
4	1.199	7.054	56.010
5	1.076	6.330	62.340
6	1.005	5.910	68.250

Application of the rules for item deletion resulted in the deletion of one more item V29 (Factor Loading .274 in a factor with different meaning).

The remaining 16 items were subjected to factor analysis (Principal Axis Factoring) with an orthogonal varimax rotation (to identify the underlying dimensions), which yielded six factors. The results are presented in tables, 7.5, and 7.6.

Table 7.5 Total Variance Explained Final Factor Analysis. Extraction Method: Principal Axis Factoring.

	Initial Eigenvalues		
Factor	Total	% of Variance	Cumulative %
1	**4.644**	**29.023**	**29.023**
2	**2.075**	**12.969**	**41.992**
3	**1.382**	**8.640**	**50.632**
4	**1.135**	**7.094**	**57.726**
5	**1.071**	**6.696**	**64.422**
6	**1.005**	**6.279**	**70.700**
7	.793	4.956	75.657
8	.647	4.046	79.703
9	.567	3.546	83.249
10	.503	3.146	86.394
11	.456	2.850	89.245
12	.424	2.647	91.892
13	.385	2.408	94.299
14	.357	2.230	96.529
15	.307	1.919	98.448
16	.248	1.552	100.000

Table 7.6 Orthogonal Rotation with Varimax Method[10]. Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization.

	Factor					
	1	**2**	**3**	**4**	**5**	**6**
VAR00001				.684		
VAR00003				.869		
VAR00005		.741				
VAR00007		.401				
VAR00009		.671				
VAR00011		.474				
VAR00013			.771			
VAR00015			.615			
VAR00017			.632			
VAR00033						.792
VAR00035						.508
VAR00037	.587					
VAR00039	.749					
VAR00041	.701					
VAR00043					.845	
VAR00045					.670	

[10] Kmo and Bartlett's Test

Kaiser-meyer-olkin measure of Sampling Adequacy	
Bartlett's Test of Sphericity	.827
Chi square	2133.987
Df	253
Sig	.000

Based on the magnitude of factor loadings and relevant rules, which were discussed in the previous section, no items were deleted in the factor analysis phase.

Item-to-total correlations of each factor, Cronbach alpha for item deletion and the Cronbach alpha of each factor are computed as a next step. An item will be deleted or retained, based on the criteria, which were stated previously. The Cronbach alpha for the scale was a=0,826 and the Cronbach alpha for the factors range between, 0.632 to 0.823.

Table 7.7 Scale Reliability

	Cronbach *a*
Total scale reliability	**0.827**
Factor 1	0.797
Factor 2	0.683
Factor 3	0.732
Factor 4	0.8234
Factor 5	0.797
Factor 6	0.632

No item was deleted after the calculation of item-to-total correlations and Cronbach alpha: Hence, 6 factors were identified in the fourth stage that is the last iteration.

To sum up, the iterative measure purification process resulted in 16 reliable items. Six factors have been derived [11] from the 16 store image questions, and the Cronbach alphas for the six-factor range from 0.63 to 0.823 as shown in the previous table. The total instrument's reliability coefficient alpha is 0.827. The alpha values are similar or higher than those reported from other authors (e.g. Parasumaran *et al.* 1988).

7.5 Identifying six factors

Data collected by the present researcher during the first and second stage of research activity was purified in respect of test items and factors by a process of successive iteration, in a manner similar to that used by other researchers. Finally, a six factor structure was extracted related to a 16 item pool: these items were distributed amongst six factors as shown in table 7.8. It is now possible to name each factor and give a meaning to them in order to use the derived scale for validation and for further research purposes.

The first factor derived from the analysis is represented by three store image items found to be relevant to the measurement of the cultural characteristics of Fast-Food restaurants and their relationship with the local (Northern Greek) food culture. This factor is referred to as the **ADAPTATION TO LOCALITY** of the restaurants.

The second factor is represented by four questions found to be relevant to the Service provided in fast food restaurants. This factor is referred to as **SERVICE.**

For further verification of factor structures emerging from factor analysis procedures Malhotra, N.K. (1981) used hierarchical cluster analytic methods to enable comparison with factor analytic results. Malhotra stated that the results of clustering agreed closely with those obtained by factor analyses. The set of items, which loaded on the same factor also, tended to cluster together". In the present study the application of hierarchical cluster analysis further verified store image factors.

The third factor consists of three questions concerning the ambience and the facilities provided. The factor is referred as **FACILITIES.**

The fourth factor consists of two questions concerning the quality and taste of the food. So this factor is referred as **FOOD.**

The fifth factor is represented by items relevant to the pleasure of eating or being at a fast food restaurant. So this factor referred as **PLEASURE OF VISITING or PLACE TO BE.**

The final factor is represented by two questions concerning the promotion employed by the fast food companies inside the store in order to increase sales and frequency of visits. In this case the factor is referred to as **SALES INCENTIVE PROGRAMME.**

Table 7.8 summarises the derived scale and show the underlying properties of each factor.

Table 7.8 Underlying Factor Structure

Factor 1
V 37 Goody's food is closer to my culture diet
V 39 Goody's offer food in the Greek way
V 41 The service is right for me as a Greek at Goody's
Factor 2
V 5 Goody's staff are willing to correct errors in food orders
V 7 You do not have to wait long to be served at Goody's
V 9 Goody's staff are very helpful/polite
V 11 Service is reliable and consistent at Goody's
Factor 3
V 13 Goody's has a nice/well managed kindergarten
V 15 In Goody's there is an appropriate place for parties
V 17 Goody's cannot accommodate children
Factor 4
V 1 Goody's use fresh ingredients for the food served
V 3 Goody's offer high quality products
Factor 5
V 43 Goody's is a nice place to go out
V 45 Goody's is a place for fun
Factor 6
V 33 Goody's offer nice toys for kids
V 35 Goody's has attractive in-store competitions

The present underlying construct has to be verified using the data derived from the other fast food restaurant in Greece.

7.6 Application to McDonald's restaurants

The data from the second fast food store is going to be used to cross validate the results from the purification process. This procedure is followed to reduce the likelihood of capitalising on chance during scale purification (DeVellis, 1991). The application of the six-factor solution to the data concerning the second rival of the Hellenic market produced a similar solution and similar factor structure. The six factors explain 67.604% of the total variance. The results of the application process and the factor structure as well as the Cronbach a for each factor and the total alpha scores alongside with the item total correlation are presented in the following tables 7.9 and 7.10.[12] [13]

[12] KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		761
Bartlett's Test of Sphericity	Approx. Chi-Square	1304,463
	Df	120
	Sig.	.000

[13] Peterson *et* al, (1995) suggested that in the development of a scale using EFA the steps sought to identify items that would (1) form reliable scales and (2) produce satisfactory equivalence in factor structures across objects of measurement (in this case stores). In their opinion the first purpose required retaining as many items as possible to produce good scale reliability and the second required eliminating items loading differently in the different situations. In the present research, the author did not have to eliminate items because there was not any problem with the loadings.

Table 7.9. The Rotated Factor Matrix: Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization

	Factor					
	1	**2**	**3**	**4**	**5**	**6**
VAR00002		**.709**				
VAR00004		**.858**				
VAR00006	**.685**					
VAR00008	**.477**					
VAR00010	**.764**					
VAR00012	**.488**					
VAR00014			**.643**			
VAR00016			**.524**			
VAR00018			**.735**			
VAR00034						**.871**
VAR00036						**.487**
VAR00038				**.491**		
VAR00040				**.760**		
VAR00042				**.454**		
VAR00044					**.764**	
VAR00046					**.646**	

Table 7.10 Scale Reliability

	Cronbach *a*
Scale	**.7930**
Factor 1	.7065
Factor 2	.8072
Factor 3	.6792
Factor 4	.6707
Factor 5	.7481
Factor 6	.6603

The first factor in the case of Mc Donald's is represented by four questions found to be relevant to the Service provided in fast food restaurants. This factor is referred to as **SERVICE.**

The second factor consists of the two questions concerning the quality and taste of the food. So, this factor is referred as **FOOD.**

The third factor consists of three questions concerning the ambient and the facilities provided. The factor is referred as **FACILITIES.**

The fourth factor derived from the analysis is represented by a three store image items found to be relevant to the measurement of the cultural characteristics of Fast-Food restaurants and their relationship with the local food culture. This factor is referred to as the **ADAPTATION TO LOCALITY** of the restaurants.

The fifth factor is represented by the items relevant to the pleasure of eating or being at a fast food restaurant. So, this factor referred as **PLEASURE OF VISITING or PLACE TO BE.**

The final factor is represented by two questions concerning the promotion tools employed by the fast food companies inside the store in order to increase sales and frequency of visits. In this case the factor is referred to as **SALES INCENTIVE PROGRAMME.**

The application of the results, from the purification process from the second stage analysis offered sufficient support for the hypothesised dimensions of store image. The factor pattern was highly similar (same items load in the same factors) across the two stores. So the application of the results from the iterative process, confirm the applicability of the store image scale to the second store.

7.7 Epilogue

The factor structures derived from the two stores data analysis have found to be the same. Thus, the results of the scale can be employed for both restaurants in order to measure the store image of each one and meaningful comparisons can be made about the performance of each restaurant.

In the next chapters a validation of the scale will be discussed and the complex relationship between store image satisfaction and loyalty will be explored.

CHAPTER 8

Assessing Instrument Construct Validity

8.1 Introduction

The aim of this paper is to discuss the validation of the purified scale. For this reason, a number of statistical procedures are used in order to scrutinise the properties of the scale, the reliabilities of the components and the convergent and discriminant validity of measures across components. Also, the convergent and discriminant validity between measures of the components and measures of other constructs are explored. Finally, a criterion related validity is established.

Moreover, the purpose of the present chapter is to provide a rigorous statistical test of identified store image attributes in order to establish a model on which further research can be built. So, the present study evaluates the derived factor structure of store image and construct validity of these measures, with structural equation modelling, a more powerful statistical technique than the exploratory factor analysis.

Using the collected data for both fast food chains, this analysis also determines whether the scale is applicable and tests the scale comparability across two different data sets corresponding to the two rivals of the Greek market.

8.2 Assessing instrument validity

Scale reliability established in the previous section is considered as a necessary, but not a sufficient condition for validity. Validity can be described in a way such as the degree to which a measure accurately represents what is supposed to. Instrument validity is discussed in this section.

Validity has different meanings in the literature (DeVellis, 1991). However, a very general definition can be given. Validity is the extent to which any measuring instrument measures what it is intented to measure (Carmines and Zeller, 1983). So, validity indicates the degree to which an instrument measures the construct under investigation (Borhstein, 1999).

Construct implies that items from one stratum within the domain of meaning correlate together because they all reflect the same underlying construct. Second, whereas items from one domain may correlate with items for another domain, the implication is that they do so, only because the constructs themselves are correlated.

Construct validity, may be defined as the degree to which a concept (term, variable, construct) achieves theoretical and empirical meaning within the overall structure of one's theory. Six components of construct validity are proposed:

i. Theoretical Meaningfulness of Concepts
ii. Observational Meaningfulness of Concepts
iii. Internal Consistency of Concepts

iv. Convergent validity

v. Discriminant Validity

vi. Nomological or Predictive Validity

The first two components are semantic criteria and refer to the internal consistency of the language used to represent a concept and the conceptual relationship between a theoretical variable and its operationalization respectively (face and content validity). The third criterion is strictly empirical, as one designed to determine the degree of internal consistency and single factoredness (unifactoriality) of one's operationalization. With criteria 4 and 5, the researcher attempts to ascertain the extent of agreement among different attempts to measure the same concept and divergence among different concepts measured with similar procedures respectively. Finally, Nomological or Criterion validity denotes the degree to which predictions are confirmed from a formal theoretical network containing the concept under scrutiny.

So, in the following paragraphs, validation of the scale is evaluated on the basis of content and face validity. Then, each factor is evaluated for unifactoriality. Afterwards, Convergent and Discriminant validity are confirmed. Finally, the scale's predictive validity is evaluated. The tests will test the hypothesis that the scale under investigation is reliable and valid.

8.3 Face and content validity

Fundamentally, content validity depends on the extent to which an empirical measurement reflects a specified domain of conent (Casrmines and Zeller, 1983 p.20). One can imagine a domain of meaning that a particular construct is intended to measure. The given domain has various facets. Content validity refers to the degree that one has representatively sampled from that domain of meaning. In order to establish content validity it is necessary to develop a reliable set of items to capture the various facets[14] or strata within the domain of meaning.

So, content validity depends on how well the items generated cover the domain of the construct being measured (Badri *et al.* 1995; Nunally and Bernstein, 1994). An instrument has content validity if there is a general agreement among the subjects and researchers that the instrument has measurement items that cover all-important aspects of the variable being measured (Subba *et al.* 1994). It is always subjectively, evaluated by the researcher (Antony *et al.* 2002; Yusof and Aspinwall, 2000; Joseph *et al.* 1999). Subba *et al.* (1994) agree that ''the evaluation of content validity is a rational judgmental process not open to numerical evaluation''. In addition, Saxe and Weitz (1982) stated that content validity is not assessed by statistical means. Nunally and Berstein, (1994) argued that ''there is no rigorous way to assess it''.

Regarding assessment of scale content validity, Parasumaran *et al.* (1988) state that: ''Asssesing a scale's content validity is necessarily qualitative rather than quantitative". It involves examining two aspects: 1) the thoroughness with which the construct to be scaled and its domain were explicated and 2) the extent to which the scale items represent the construct's domain.

Churchill (1977) suggested that in order to achieve a scale's content validity, researchers have to follow the suggested procedure of scale development (Chapter 5).

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[14] The facets, which respectively define specific domains of content, are the building blocks of the constructs (Gerbing *et al.* 1994).

He stated that: "specifying the domain of the construct, generating items that exhaust the domain, and subsequently purifying the resulting scale should produce a measure which is content or face valid and reliable".

Nunnaly (1978) and Saxe and Weitz, (1982, p.347) added that content Validity "... is sought through the use of a representative collection of items and a sensible method of test construction. The use of a broad and representative range of items and a standard method of item selection provides a scale with adequate content validity''.

As a result, Content validity can be achieved through a broad and representative collection of items and a standard method of scale construction (Antony *et al.* 2002).

In the context of the comments above, the generation of initial store image items draw on the following sources.

i. Market research books
ii. Applied market researches
iii. Selected academic publications
iv. Focus group research
v. Supervisor's comments
vi. Personal intuition

After the initial items were generated from the above sources, the purification of these items was evaluated using Churchill's (1979) procedure. The detailed research activity procedures were discussed in previous chapters. Finally, an instrument containing 16 items, and loading on 6 factors was constructed: its reliability was assessed in the previous section. It was felt that the followed methods provided a scale with adequate content validity.

The use of experts' judgements to establish content and face validity was proposed by a number of authors such as Cadogan *et al* (1999), Babin and Burns, (1998), Malhotra, (1996), Chui, (1995), Green *et al.* (1988), Parasumaran *et al.* (1988), Zaikowsky, (1985), Saxe and Weitz, (1982).

Tull and Hawkins (1989) suggested that although ''content'' and ''face'' validity have similar meaning they can be validated by different ways as ''face'' validity refers to 'non-expert' judgement and content validity to ''expert'' judgment.

Chisnall (1997) suggested that face validity should always be checked in the pre-test interviews. Kacmar and Carlson (1997), in order to establish content and face validity, used 'non-expert' respondents in a pre-test sample to determine the degree to which each item of the scale represented a factor definition. Moreover, Wang (1990) in his study used both experts –faculty members and non-experts – students in a pre-test study to establish face and content validity.

According to the above propositions, both first stage and final stage questionnaires were evaluated by a number of experts and academics in marketing and market research, as well as by marketing students who participated in the pre-test of the questionnaire in order to establish both face and content validity of the questionnaire.

So, it is believed that the content and face validity of the developed customised instrument for customer measurement of store image performance by Greek fast-food chains is established. The next step in the validation process is the establishment of construct validity.

8.4 Construct validity

Campbell and Fiske (1959) proposed two aspects of construct validity: convergent and discriminant validity. Convergent validity is the degree to which multiple attempts measuring the same concepts are in agreement. The idea is that two or more measures of the same thing should co-vary highly if they are valid measures of the concept. Discriminant validity is the degree to which measures of different concepts are distinct. The notion is that if two or more concepts are unique, then valid measures of each should not correlate too highly. So, in order to establish construct validity, the researcher should examine both convergent and discriminant validity.

Academic researchers have proposed several methods for assessing construct validity. These include multi-trait and multi method matrix methods (Campel and Fiske, 1959), correlation analysis (Johns and Tyas, 1996; Stallard, 1996; Belch and Landon, 1977; Summers and Mackay, 1976), multiple regression, (Bagozzi *et al.* 1979), and factor analysis (Antony *et al.* 2002; Black and Porter, 1996; Mangold, 1992; Saraph *et al.* 1989; Noerager 1979).

The assessment of construct validity is discussed in the following paragraphs. For assessing instrument validity, multiple regression analysis, factor analysis and a structural equation modelling procedure are used to establish validity criteria.

For this purpose, a number of different measures that purport to measure constructs that are conceptually similar to store image or theoretically associated with that, were used in order to establish the convergent and discriminant validity of the store image scale.

8.4.1 Validity evidence

Exploratory factor analysis techniques have been used to investigate scale validity. Parasumaran *et al.* (1988) report factor loadings of items less than 0.25 resulted in item deletion, simplifying visual aspects of factor analysis, and indicating convergent and discriminant validity. This assessment imposes a threshold value of 0.40 for item inclusion with eigenvalues greater than one. The size of the factor loadings across the scale gives an indication of convergence validity of the measurement (Chaipoopirutana, 1998; Hildebrandt, 1988).

Moreover, Carman (1990) maintained that SERVQUAL items have construct validity if these items produce similar factor structure in study replication. Gorsuch (1983) and Kerlinger (1973) have supported this view whereas, Chaipoopirutana (1998) accepts the replication of the factors as an indirect indicator of convergent validity. In the present study, the replication of the results from the first store (Goody's) to its market rival (Mc Donald's) results, indicate that the same factors extracted by both the iterative processes and the scales for both stores have the same underlying properties. This was assumed to support evidence of construct validity.

8.5 Construct validity tests

Anderson and Gerbing (1988) suggested a process to examine the convergent and discriminant validity of the scales in question. They developed and tested a measurement model with all of the variables of interest included. This model should include multiple indicators that are linked directly to the variable of interest and to no other variables. These multiple indicators can be individual scale items or composites of these items. The only requirement is that each set of indicators should be unidimensional[15]. Unidimensionality indicates that all of the items measure a single theoretical construct (Rao *et al.* 1999; Cadogan *et al.* 1999; Gerbing *et al.* 1994). Therefore, the researcher should check for unifactoriality (trait) validity, (Antony *et al.* 2002; Karathannasi, 1996), using exploratory factor analyses for validity purposes.

Rigotti and Pitt (1992) applied regression analysis to assess the convergent validity of a measuring instrument. They stated that ''multiple regression of dimension scores (overall quality)...returned an adjusted R^2 of .50''. On this basis, these researchers conclude that the validity of SERVQUAL is confirmed. Chui (1995) followed a similar procedure to assess the predictive validity of the scale.

Discriminant validity can be achieved when the measure under investigation is highly correlated with other measures that are supposed to correlate, but not as much as the

[15] An eviudnece of unidimensionality has been provided by the item to total correlations (Gerbing *et al.* 1994).

summated measure. So, a number of different measures, purport to measure constructs that considered to be related with store image such as satisfaction and loyalty were used in order to establish the convergent and discriminant validity of the scale.

Bearing all this in mind, a procedure similar to that used by Anderson and Gerbing (1988) and Gerbing and Aderson (1984) was employed using, the regression method as a first step to assess the convergent and discriminant validity of the instrument. The data derived from the store image performance survey for both stores (Goody's and Mc Donald's) will be used having as criterion the cut-off point suggested by Rigotti and Pitt (1992).

8.5.1 Factor analysis

To be consistent with other studies, the construct validity of each factor measure was first evaluated by factor analysing the measurement items of each of the six factors. For construct validity, one may generally check for unifactoriality (Antony *et al.* 2002). Unifactoriality means that a single factor is extracted for each test (3rd validity criterion). In order to determine the construct validity, each factor was subjected to an individual factor analysis to check for unifactoriality. The analysis shows that all six were unifactorial. The unifactorial nature of each factor is a measure of construct validity (Black and Porter, 1996). The factors accounted more than 65 per cent of the variance of the respective variable tests. This suggests that only a relatively small amount of the total variance for each group of variables is associated with causes other than the factor itself.

8.5.2. Regression analysis

To establish convergent validity, the relationship between the overall store image score and the derived scale should be examined. The first regression tests will use the overall measure of store image for each store as a dependent variable. The results of each regression equation will be presented in a separate table. The R^2 value is a measure of the proportion of variability in the dependent variable that is jointly explained by the independent variables. R^2 can range from 0.0 to 1.0 with higher values indicating a higher explanatory regression model. The beta coefficients are standardised regression weights that serve as a measure of how much individual influence, each independent variable has on the dependent variable. Beta coefficients can be interpreted as the number of units increase in the dependent variable resulting from a unit increase in the independent variable (where the variables are expressed in standardised units) while holding constant the other independent variables. Finally, the significance level is a measure of whether the magnitude of the effect of the independent variable is significantly different from zero, with smaller values indicating greater significance. For an effect to be considered statistically significant, it is usually taken that significance level must be below 0.05 (Henkel, 1982). This implies that the probability of incorrectly concluding that beta is different from zero when it is actually equal to zero is 0.05.

Regression analysis was applied to predict store image from the factors. Store image as the main dependent variable of this research was predicted using the standardised factor scores of the six derived factors as independent variables. All the factors emerged were predictors of store image.

Table 8.1 Regression for Goody's (Store Image)

Dependent Variable	R	R-square	Adjusted R-Square	Std. Error of the Estimate
Store Image	.781	.610	.602	.8345

Table 8.2 Regression for Mc Donald's (Store Image)

Dependent Variable	R	R-square	Adjusted R-Square	Std. Error of the Estimate
Store Image	.725	.525	.511	.9186

From the above tables, it can be concluded that the convergent validity has been established for both the store image scales, since there is a significant correlation between the single overall measure of store image and its multi-item counterpart (Caruana and Money, 1997).

8.5.3 Discriminant validity

A scale has discriminant validity if it is able to discriminate itself from measures of conceptually similar constructs (Kerlinger, 1986). That is, constructs similar to one another should be correlated, just not too highly. Discriminant validity is the degree to which a concept differs from other concepts.

To establish discriminant validity, an investigation of the relationship between store image scale and the other measures has to be conducted. Regression analysis was applied to assess the discriminant validity of the store image scale. For this purpose, a series of four regression equations for both chains will be presented using as dependent variables the satisfaction and loyalty scores respectively.

Table 8.3 Regression for First chain (Satisfaction)

Dependent Variable	R	R-square	Adjusted R-Square	Std. Error of the Estimate
Satisfaction	.697	.486	.476	.6167

Table 8.4 Regression for Second chain (Satisfaction)

Dependent Variable	R	R-square	Adjusted R-Square	Std. Error of the Estimate
Satisfaction	.631	.398	.386	.7504

Table 8.5 Regression for First chain (Loyalty)

Dependent Variable	R	R-square	Adjusted R-Square	Std. Error of the Estimate
Loyalty	.654	.428	.423	.7274

Table 8.6 Regression for Second chain (Loyalty)

Dependent Variable	R	R-square	Adjusted R-Square	Std. Error of the Estimate
Loyalty	.546	.298	.284	.8101

The above tables show that the scale has a significant correlation with satisfaction and store loyalty measures. However, the highest correlation was between the derived scale and the overall store image score. Furthermore, the application of the data for

Mc Donald's store has showed similar results. Therefore, discriminant validity has been established.

8.6 Confirmatory factor analysis

8.6.1 Introduction to CFA

Traditional factor analysis has been used in previous store image research (e.g., Antony *et al.* 2002; Badri *et al.* 1995; Marks, 1976). It is actually, an appropriate and useful method for validating unidimensional and multidimensional scales (Spector 1992).

However, a useful way to approach construct validation is with the confirmatory factor analysis model (Steenkamp and Wedel, 1991). Thompson and Daniel (1996) argued that research should base the inventory design, first on principals, then it should explore the underlying structure, and then it should test the hypothesised model using CFA.

The structural modelling approach allows factor analysis to be conducted in a confirmatory rather than an exploratory manner. In the first part of the research, the researcher applied exploratory factor analysis to develop the store image scale. Then, the validity of the scale was first established using both factor analysis (unidimensionality) and regression analysis (correlation with sum measures).

Although statistical techniques employed can provide a useful indication of the quality of factor structure under investigation, they are much less informative as to the goodness-of-fit of a particular factor structure (Renn *et al.* 1999). Morover, data-driven methods such as exploratory factor analysis lack the rigor of the specification of a priori models required by the "confirmatory" alternative (Gerbing *et al.* 1994). CFA is proposed to provide a more robust test of scale validity, as many of the arbitrary decisions associated with the exploratory approach are removed (Tabachnick and Fidell, 1996).

Therefore, construct validity could be further established by applying structural equation modelling. Moreover, this model could determine whether the theoretical hypothesis about the underlying structure of the derived store image scale is validated by an analysis (Manolis *et al.* 1994). A number of authors (Li *et al.* 2002; Srinivasan, 2002; Sweeney, 2001; Renn *et al.* 1999; Garbarino and Johnson, 1999; Kacmar and Carlson, 1997; Kim and Lee, 1997; Nye and Witt, 1993) followed a similar procedure to examine a scale's dimensionality and construct validity using both exploratory and confirmatory factor analysis. First, they used principal components analysis with a varimax rotation and selected factors with an eigenvalue over 1.0. Then, they used structural equation modelling (i.e., LISREL) to support the internal properties of the scale, comparing a three-factor solution to a one-factor solution. As a result, the scale's dimensionality and validity is assessed in the following paragraphs.

8.6.2 The nature of CFA

The present analysis employed the confirmatory factor analysis technique (CFA) within the general framework of structural equation modelling (SEM) to interpret the data.

SEM has recently become one of the most effective multivariate statistical methodologies for data analysis (Bentler and Bonnett, 1980). SEM provides the possibility of fitting, and evaluating the fit, of specified theoretical models to empirical data. This technique has been employed in many fields, including studies of personality measurement and in clarifying issues in the study of social behaviour.

SEM and CFA are becoming increasingly important in theory testing and in efforts to develop psychometrically rigorous measures of marketing and consumer constructs (Fitzerald *et al.* 1989).

The CFA model is a powerful method for addressing construct validity makes fewer assumptions and provides more diagnostic information about reliability and validity than Campbell and Fiske's (1959) criteria. Unlike Campbell and Fiske's (1959) procedure, the CFA model allows methods to affect measures of traits in different degrees and to correlate freely among themselves. In addition, the CFA model provides the following advantages: (1) measures of the overall degree of fit are provided in any particular application (e.g., the chi-square goodness-of-fit test), (2) useful information is supplied as to if and how well convergent and discriminant validity are achieved (i.e., through chi-square difference tests, the size of factor loadings for traits, and the estimates for trait correlations), and (3) explicit results are available for partitioning variance into trait, method, and error components (i.e., through squared factor loadings and error variance) (Bagozzi and Philips, 1991).

The basic assumption involved in confirmatory factor analysis models is that particular observed variables will be expected to be indicators of, or equivalently, will load on particular factors (Bentler, 1987). In the current study, data analyses were mainly based on the employment of the AMOS program (Arbuckle, 1994).

An important consideration in CFA is the sample size, because the number of estimated parameters relative to sample size is an important determinant of convergence, standard errors, and model fit (Idaszak, Bottom, and Drasgow, 1988). Although strict guidelines for minimum sample sizes do not exist, Hoelter (1983) recommended a sample size of 200 for confirmatory factor analysis. Bentler (1985) suggested that a sample size to parameter ratio of 5 or more is sufficient to achieve reliable estimates in maximum likelihood estimation. Because the most complex CFA model in the present study produced a sample size to estimated parameter ratio of 19:1, the sample size was considered adequate for the analyses.

8.6.3 Estimation of the model and assessment of fit

CFA was performed to test the factor structure of the measures employed. CFA was employed by applying maximum likelihood estimation (MLE) to a two-group CFA model (Goody's and Mc Donald's). MLE is a criterion by which a number of common factors are extracted, with an overall objective of finding the factor solution, which best fit the observed correlation between variables.

In SEM, the key variables of interest are usually "latent constructs". We can observe the behaviour of latent variables only indirectly and imperfectly, through their effects on manifest variables. Circles (or ovals) represent latent variables (i.e., factors or constructs). Squares and rectangles are used for actual measures such as questionnaire items (often referred as manifest variables or indicators).

Each store image indicator has two arrows terminating into it. The arrows from latent variables to indicators stand for sources of variance in the indication that are due to the individual component of the store image scale. The λ adjacent to the arrows are factor loadings relating latent variables to indicators. The short arrows with δ at their origins depict variation in the indicators due to error. Finally, the curved lines connecting pairs of factors stand for correlations between the indicated factors and are designated ϕjk (Figures 8.1, 8.2).

In each equation, a factor regression coefficient was set to be freely estimated and was assigned a starting value of one, each equation contains a predicted latent variable (factor) and an error term associated with it.

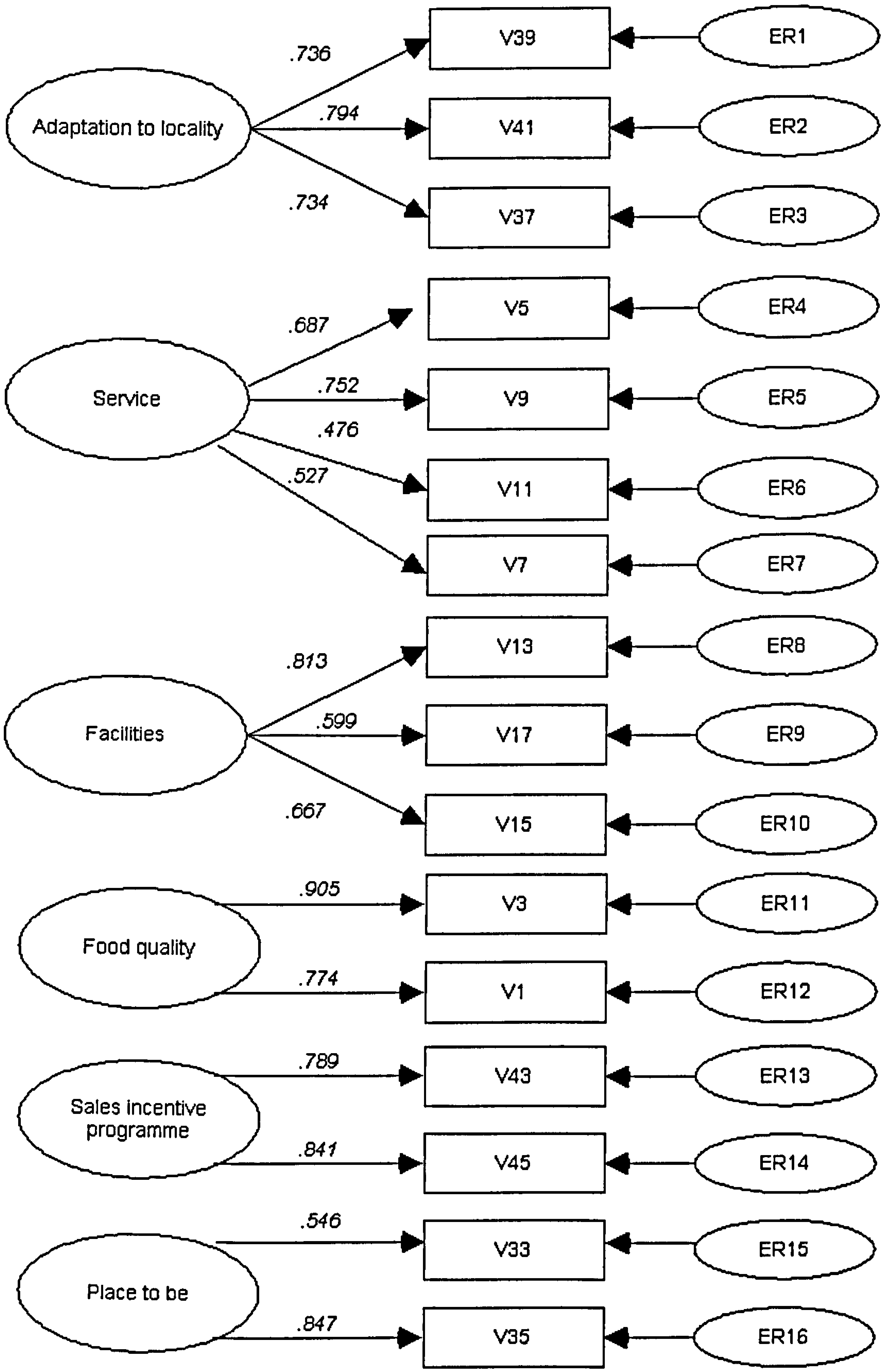

Figure 8.1 Confirmatory Factor Analysis (Goody's)

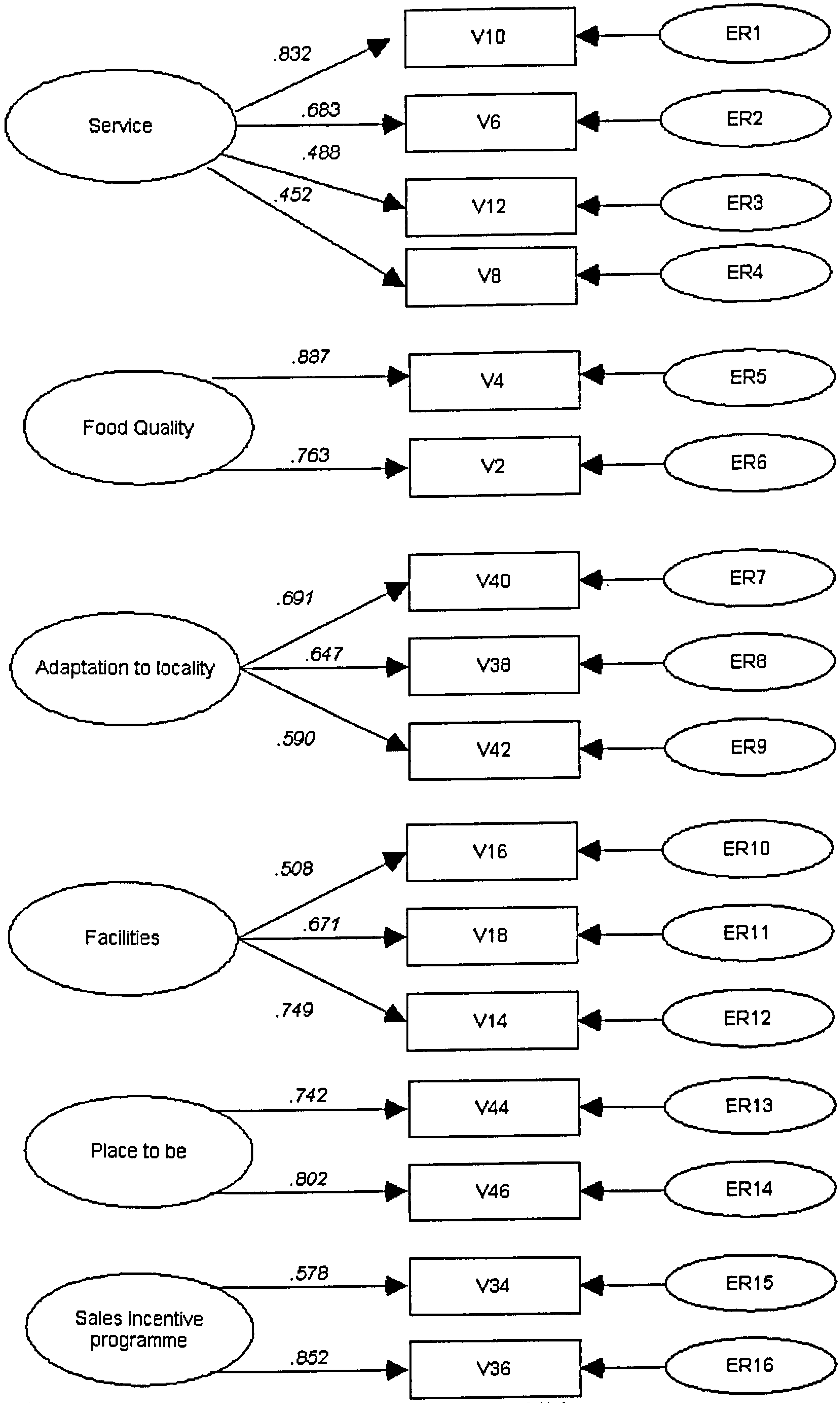

Figure 8.2 Confirmatory Factor Analysis (Mc Donald's)

8.6.4 Model evaluation

Before examining the convergent and discriminant validity of the model it is necessary to evaluate the overall fit of the model. A major challenge confronting theory developers and researchers is determining what constitutes acceptable model fit (Fitzgerald *et al.* 1989).

SEM obtains asymptotically efficient estimates of model parameters and reports goodness-of-fit indices to assess model fit. Evaluation of model fit is an important pre-requisite for interpreting the parameter estimates and their standard errors.

Several simulation studies have examined the behavior of the fit indices and have shown that the goodness-of-fit indices are affected by such model characteristics as number of factors, number of indicators per factor, and size of factor loadings (e.g., Anderson and Gerbing, 1988; Sharma and Shimp, 1984; Bearden, Sharma and Teel, 1982; Boomsma, 1982). These otherwise meritorious studies have limited generalizability because each set of study findings is idiosyncratic to the model characteristics that were simulated (e.g., absence or presence of correlated errors, feedback loops, and second-order factors) (Fitgerald *et al.* 1989).

8.6.4.1 Fit evaluations

Model-data fit was evaluated based on multiple fit indexes. The chi-square statistic is perhaps the most popular index to evaluate the goodness of fit of the model. It measures the difference between the sample covariance and the fitted covariance. It can be used to test the null hypothesis that the model reproduces the population covariance matrix of the observed variables. By convention, an acceptable model is where the p value is greater than or equal to 0.05 (Fitzgerald *et al.* 1989). However, this index has some disadvantages. The chi-square index is sensitive to sample size and departures from multivariate normality. Another limitation with the chi square test is that it does not directly provide an indication of the degree of fit such as is available with indices normed from 0 to 1. Therefore, it has been suggested that it must be interpreted with caution in most applications (Chau, 1997; Joreskog and Sorbom, 1989, Fitzgerald *et al.* 1989).

A chi-square test for overall model fit can be directly tested to determine whether significant variance is left unexplained (Pedhazur, 1982). Since significant residual variance is typical in social science research, researchers have proposed various norms for evaluating whether the degree of misfit in a model is acceptable. Ratios of chi-square to degrees of freedom below 3 to 5 have been argued to indicate adequate fit (Steenkamp, and Baumgartner, 1998; Dunn, Everitt and Pickles, 1993; Bentler, 1992; Carmines and McIver, 1981; Clegg and Wall, 1981; Wheaton *et al.* 1977). However, it is desirable to examine other measures of fit not as sensitive to sample size.

An additional approach to the assessment of goodness of fit is to use an index that is based on the comparison of the fit of a hypothesised model to the fit of a baseline model, such as the null model of modified independence, where the latter assumes that all variables are uncorrelated (i.e only error variances are estimated). Such an approach is termed an incremental fit index in that a hypothesised model is compared with a more restricted, nested model.

Researchers are hence turning to multiple fit criteria, as suggested by Bollen and Long (1993), to reduce any measuring biases inherent in different measures. Another measure of overall model fit being used by researchers is the goodness of fit index (GFI), which indicates the relative amount of variance and covariance jointly explained by the model. The goodness-of-fit index (GFI) is an indication of how well the model fits the data. The adjusted goodness of fit index (AGFI) differs from the GFI in that it adjusts for the number of degrees of freedom (df) in the model. GFI and AGFI values range from zero to one, with higher values indicating better fit (Byrne, 1989). GFI and AGFI scores in the 0.80-0.89 range are generally interpreted as representing reasonable fit; scores of 0.90 and above represent good fit (Chau, 1997; Lichtenstein *et al.* 1992; Pedhazur (1982). However, to adjust for model parsimony, an adjusted goodness-of-fit index (AGFI) should exceed .90 (Medsker *et al.* 1994).

Normed fit index. To examine the proportion of total variance accounted for, by a model, the normed fit index (NFI) is used (Medsker *et* al., 1994). An acceptable value for the NFI is .90 (Medsker *et* al., 1994; Dunn *et* al., 1993).

Comparative fit index. The comparative fit index (CFI) is similar to the NFI, except that it overcomes the difficulties associated with sample size (Medsker *et* al., 1994). CFI can be thought of as a measure of how much variation in measures is accounted for from a practical standpoint. A rough rule of thumb is that a CFI should be greater than or equal to .90, where values less than .90 suggest that significant amount of variance remain to be explained and values grater than or equal to .90 imply that further relaxation of parameter constraints are not warranted and might lead to over-titling (Steenkamp and Baumgartner 1998; Dunn *et* al., 1993; Bentler, 1992; Mulaik *et al.* 1989).

Parsimony fit index. The parsimony fit index (PFI) reflects the amount of covariance explained by a model when its number of parameters is taken into account (Renn and Vandenberg, 1995). That is, if the same amount of construct covariance is explained by two models, the less complex of the two models will have a higher PFI value. PFI values over .60 are considered acceptable (Mulaik *et al.* 1989).

The root mean square residual (RMR) indicates the average discrepancy between the elements in the sample covariance matrix and the model-generated covariance matrix. RMR values range from zero to one (Medsker, Williams, and Holahan, 1994) with smaller values indicating better models (Byrne, 1989).

Other fit indices that can be used to evaluate the degree of fit are, the root mean square error of approximation (RMSEA), the Tucker-Lewis Index (TLI), Akaike's information criterion (AIC) and the consistent Akaike information criterion (CAIC). The Steiger-Lind RMSEA index (Steiger, 1994) is a measure of the root mean square error of approximation that is relatively unaffected by sample size. A value of the RMSEA of about .05 indicates a close fit; a value of about .08 indicates a reasonable fit, and a value of .10 indicates a poor fit (Carless, 1998; Browne and Cudeck, 1993). TLI of about .90 indicates a good fit (Carless, 1998; Kacmar and Carlson, 1997; Bentler and Bonett, 1980) and finally, lower values of AIC and CAIC criterion indicate better models (Steenkamp, and Baumgartner, 1998).

However, RMSEA, CAIC, and TLI seem particularly useful for purposes of model comparison because they take into account both goodness of fit and model parsimony by imposing a penalty on fitting additional parameters. In a simulation study, RMSEA, TLI and especially AIC (on which CAIC improves) were found to be among the most effective indices in distinguishing between correctly and incorrectly specified models (Williams and Holahan, 1994). For this reason, the above indices have not been taken into account for model evaluation but just as a further indication of model fit.

8.7 Evaluation of the models

To examine the measurement properties of the constructs, items assigned to the respective indicators are those shown to load in each factor under the exploratory factor analysis. This approach has been termed in the literature as the partial disaggregation model (Bagozzi and Foxall, 1995).

Model-data fit was evaluated based on multiple fit indexes. The test of the measurement model with the factors under investigation produced a good fit Ratio of Chi Square and degrees of freedom. The chi-square to degrees of freedom ratio for both models is less than the critical value of five. Particularly, for the first case (Goody's) is 1.665 and for the second case (McDonald's) is 1.614. The chi-square values showed that we could consider both models as acceptable. However, these fit indexes, generally satisfactory in themselves, provide a base for evaluating model fit.

The values of the fit indices, as they provided by the AMOS results are GFI = .944, AGFI = .914, NFI = .912, CFI = .964, RMSEA = .045, TLI = .951, RMR = .132, PFI = .676, AIC = 237.444 and CAIC =459.099 for the first model (Goody's case). For the second model (Mc Donald's case), the values of the fit indices are GFI = .941, AGFI = .909, NFI = .893, CFI = .951, RMSEA = .045, TLI = .932, RMR = .332, PFI = .643, AIC = 267.793 and CAIC =522.690.

The GFI, AGFI, TLI and CFI surpassed the .90 critical level, with the exception of NFI for the second model (where the number is close to the .90), suggesting a well-fitting model. The values of .665 and .643, for the PFI and the relatively low values of RMSEA, AIC and CAIC suggested that the models accurately accounted for the observed variances and covariances. So, the results showed that all the indices surpassed the critical levels as they have been described previously indicating a superior fit for both the models. Since the overall fit for both models was reasonable, both discriminant and convergent validity could be assessed.

8.8 Convergent validity

Convergent validity could be assessed by inspecting the estimates of trait variance (i.e., the square of loadings for trait factors). Because convergent validity is defined as the agreement among measures of the same trait, trait variance reflecting the amount of shared variation for measures of a common trait should indicate the degree of convergent validity (Widaman, 1985).

So, in order to assess convergent validity of constructs, we look at each item in the scale as a different approach to measure the construct and determine if they are convergent. Convergent validity is present when each indicator's estimated path coefficient for its assigned variable is significant (Kacmar and Carlson, 1997; Reardon *et al.* 1995).

The significance of each indicator's estimated path coefficient can be evaluated by the critical ratio score (Joreskog and Sorbom, 1993). The critical ratio obtained by dividing the covariance estimate by its standard error. This ratio is relevant to the null hypothesis that, in the population from which store image subjects came, the covariance between them is zero. If this hypothesis is true, and still under the assumptions of page, the critical ratio is an observation on a random variable that has an approximate standard normal distribution. Thus, using a significance level of 0.05, any critical ratio that exceeds 1.96 in magnitude would be called significant (AMOS). This indicates that each item is significantly related to its specified construct (Joreskog and Sorbom, 1993).

CFA was successful in identifying the six factors. All expected factors emerged fairly cleanly. Every single item was found to load on its expected ''target'' construct[16]. All parameter estimates were positive, and the average magnitude of the standardised loadings for the six factors was .70, which exceeds the widely accepted minimum of .40 (Ford *et al.* 1986). The standardized parameter estimates, often referred to as the Lambdas, are presented in the Table 8.7. The critical ratio values range from 6.522 (V35←F6) to 12.418 (V41 ←F1) for the first model and from 6.196 (V36←F6) to 9.516 (V46←F5) for the second. All factor loadings for traits are statistically

[16] Indicated in the exploratory factor analysis.

significant, indicating that convergent validity has been achieved (Carless, 1998; Bagozzi and Phillips, 1982; Carmines and McIver, 1981).

Table 8.7 Standardized Regressions weights

Model 1	Model 2
V39←F1=.740	V10←F1=.835
V41←F1=.804	V6←F1= .682
V37←F1=.720	V12←F1=.484
V5←F2 =.673	V4←F2= .892
V9←F2 =.782	V2←F2= .759
V11←F2=.463	V40←F3=.693
V13←F3=.800	V38←F3=.647
V17←F3=.606	V42←F3=.587
V15←F3=.674	V18←F4=.679
V3←F4 =.923	V14←F4=.739
V1←F4 =.759	V44←F5=.748
V43←F5=.775	V46←F5=.801
V45←F5=.856	V34←F6=.596
V33←F6=.594	V36←F6=.872
V35←F6=.779	V16←F4=.513
V7←F2 =.508	V8←F1= .453

In the case of the second model (Mc Donald's data), a measurement model was specified and each item was prescribed to be loaded on one specific latent variable according to the factor structure indicated in the exploratory factor analysis. Every single item was found to load on its corresponding ''target'' construct. The measures showed acceptable convergent validity, with each being significantly related to its underlying factor.

The factor 'loadings' for the six-factor model are shown in Table 8.7. As can be seen, almost all the items have large and significant loadings on expected factors. Since all of the path coefficients in the measurement model are significant, convergent validity has been achieved (Kacmar and Carlson, 1997). Moreover, an examination of the average squared multiple correlations (SMCs, Table 8.8) indicates that a substantial amount of the variance in the measures is captured by the latent constructs, again showing convergent validity. The squared multiple correlations (SMCs) provide information about the reliability of the items as well as the extent to which they measure what they purport to measure. Specifically, SMC values indicate the percent of variance accounted for by each item in the factor (Bagozzi and Yi, 1988).

Table 8.8 Squared Multiple Correlations

V35=.606	V16=.263
V33=.353	V8= .208
V45=.734	V36=.683
V43=.600	V34=.356
V1= .576	V46=.641
V3= .851	V44=.560
V15=.455	V14=.546
V7= .258	V18=.461
V17=.368	V42=.345
V13=.641	V38=.419
V11=.214	V40=.481
V9= .612	V2= .576
V5= .453	V4= .795
V37=.518	V12=.234
V41=.646	V6= .465
V39=.548	V10=.697

Another way to check the convergent validity is by using the Bentler--Bonett coefficient (Bentler and Bonett, 1980), which is the ratio of the difference between the chi-square value of the null measurement model and the chi-square value of the specified measurement model to the chi-square value of the null model. A value of 0.90 and above demonstrates strong convergent validity (Subba *et al.* 1999; Hartwick and Barki, 1994; Segar and Grover, 1993). The Bentler--Bonett coefficients for first and second models are .914 and .901 respectively. Both constructs have values of above 0.9. As a result, the coefficients demonstrate strong convergent validity, (Peterson *et al.* 1995).

Finally, Convergent validity is also supported as the average variance extracted clearly exceeded .50 for all dimensions (Sweeney and Soutar, 2001; Fornell and Larcker, 1981) in both cases ranging from .878 to 2.409 and from .987 to 1.513 for the first and second model respectively.

So, convergent validity of the scale under investigation has been established. Another important issue is the assessment of discriminant validity. So in the next paragraphs, the discriminant validity is evaluated.

8.9 Discriminant validity

Discriminant validity refers to the independence of the dimensions (Bagozzi and Phillips, 1991), i.e. the extent to which measures of the 6 factor constructs are distinctly different from each other.

The assessment of discriminant validity is an important issue. The primary criterion for discriminant validity is that each indicator must load highly on its associated construct than on any other construct (Gathani, 1995). This has been already shown in previous paragraphs (Convergent validity). Also the modification indices provide further support for the unique loading of each question.

Different routes to achieve discriminant validity are available. With the variance of the factors standardised to 1.00, it is possible to examine the ϕjks (correlations among the factors) and their standard errors and determine whether the factors are distinct in order to achieve discriminant validity (Kacmar and Karlson, 1997; Bagozzi and Foxall, 1995; Manolis *et al.* 1994). Alternatively, (a more conservative method) chi square difference tests can be useful to compare models with ϕjks free to models where ϕjks are fixed to unity (Renn *et al.* 1999; Bentler and Bonett, 1980). Joreskog and Sorbom (1984) claimed that the variables show discriminant validity if the following equation is supported.

$(1-\phi jk)/S>2.00$ *(1)*

Where ϕjk is the estimated correlation between the theoretical variables I and j and S is the standard error of the estimate. (Man, 1988).

8.9.1. Testing discriminant validity

The most common test of discriminant validity is that the confidence interval around the correlation between any two latent constructs (as shown in the phi matrix) does not include 1 (Smith and Barclay 1997; Bagozzi and Heatherton, 1994). In practice this test requires an examination of the confidence interval surrounding the estimate. A perfect correlation between traits would indicate that the traits are not discriminable. Discriminant validity among traits is achieved when the trait correlation differs significantly from 1.00 (Schmitt and Stults, 1986).

The confidence intervals for the correlations between scale factors for both models should be calculated.

Table 8.9 Factor Correlation

Model 1	Model 2
F1 ↔F2=.426	F1 ↔F2=.361
F2 ↔F3=.501	F2 ↔F3=.510
F3 ↔F4=.218	F3 ↔F4=.243
F4 ↔F5=.468	F4 ↔F5=.191
F5 ↔F6=.473	F5 ↔F6=.525
F1 ↔F3=.222	F1 ↔F3=.346
F1 ↔F4=.559	F1 ↔F4=.364
F1 ↔F5=.562	F1 ↔F5=.297
F1 ↔F6=.508	F1 ↔F2=.234
F2 ↔F4=.365	F2 ↔F4=.237
F2 ↔F5=.278	F2 ↔F5=.426
F2 ↔F6=.293	F2 ↔F6=.341
F3 ↔F5=.251	F3 ↔F5=.653
F3 ↔F6=.245	F3 ↔F6=.485
F4 ↔F6=.400	F4 ↔F6=.245

In each case, the confidence intervals showed that the correlations were significantly different from 1.0. The magnitude of the range of correlations was from .218 to .559 for the first model and .191 to .653 for the second, further showing that different constructs were being measured. All traits in each study achieve discriminant validity, because each correlation between pairs of traits is less than 1.00 at the .05 level (Bagozzi, Yi and Phillips, 1991). Thus, the results suggested that both statistically and practically, the concepts considered here from the factors are distinct from each other, (Kacmar and Carlson, 1997).

Furthermore, Bagozzi and Foxall, (1995), Manolis *et al.* (1994), Bagozzi *et al.* (1991), and Bagozzi (1991) suggested that, in order to establish discriminant validity the correlation between factors plus twice their standard errors should be less than one.

As predicted earlier, the factors were significantly positively correlated. The correlations between the factors were from .191 to .653. Although, correlations among these factors were significantly different from zero, each factor was unique from a strict statistical point of view in that the correlations plus twice their standard errors summed to less than 1.00 (Manolis *et al.* 1994, Bagozzi, 1991). The results showed that values ranged from .956 to .455 for the first model and from .901 to .417 for the second.

A more conservative test of discriminant validity involves comparing the Chi square values of models that either free or constrain (to a value of 1) the phi value (the correlation between two latent constructs) and testing whether the constraint causes a significant decrease in fit (Garbarino and Johnson, 1999). The test of discriminant validity is performed taking two constructs at a time. The constructs are considered to be distinct if the hypothesis, that the two constructs together form a single construct, is rejected. To test this hypothesis, a pair-wise comparison of models was performed by comparing the model with correlation constrained to equal one (model A) with an unconstrained model (model B). A difference between the chi square values of the two models that is significant at p is less than 0.05 level would indicate support for the discriminant validity.

The results showed that the models freely estimated these relations fit the data better than the models that imposed equality constraints. So, the factors included in the store image scale, represent distinct constructs (Anderson and Gerbing, 1988; Kacmar and Carlson, 1997; Bentler and Bonett, 1980).

Joreskog and Sorbom (1984) equation for assessing discriminant validity is the next step of the research. The equation supported that if

$(1-\phi jk)/S>2.00$ *(1)*

Then the discriminant validity of the scale is established.

The higher values from the equation (1) are 8.72 (F2 ↔F6) and 8.15 (F1 ↔F6) for the first and second model respectively. In contrast, the lower values from the equation (1) are 2.22, (F1 ↔F5) and 2.79, (F3 ↔F5) for the first and second model. The tests showed that in every case the outcome of the equation (1) exceed the critical value of 2.00 (Table 8.10).

Table 8.10. Joreskog and Sorbom (1984) Equation Results

Model 1	Model 2
F1 ↔F2=4.82	F1 ↔F2=6.08
F2 ↔F3=3.78	F2 ↔F3=4.62
F3 ↔F4=4.88	F3 ↔F4=7.14
F4 ↔F5=3.18	F4 ↔F5=6.74
F5 ↔F6=3.65	F5 ↔F6=3.57
F1 ↔F3=4.44	F1 ↔F3=6.81
F1 ↔F4=2.54	F1 ↔F4=5.25
F1 ↔F5=2.22	F1 ↔F5=6.50
F1 ↔F6=3.32	F1 ↔F6=8.15
F2 ↔F4=6.04	F2 ↔F4=6.52
F2 ↔F5=6.56	F2 ↔F5=4.86
F2 ↔F6=8.72	F2 ↔F6=6.15
F3 ↔F5=4.25	F3 ↔F5=2.79
F3 ↔F6=5.89	F3 ↔F6=4.72
F4 ↔F6=4.83	F4 ↔F6=6.92

To further test the discriminant validity between factors, Fornell and Larcker (1981), Wirtz *et al.* (2000); Yoo and Donthu (2001) and Sweeney and Soutar (2001), suggested a procedure in which the average variance extracted for each construct should be higher than the squared correlation between that construct (factor) and any other factor.

The variances extracted from each factor ranged from .878 (F2) to 2.409 (F3) for the Goody's model. Since the higher value of correlation is .562 (F1 ↔F5) the squared value cannot exceed the .31. For the Mc Donald's model the variances extracted from each factor ranged from .987 (F3) to 1.513 (F4). In this case the higher value of squared correlation cannot exceed the value of .426.

Finally, the procedures suggested by Fornell and Larcker (1981) and Wirtz *et al.* (2000), further confirmed the hypothesis that the scale has adequate discriminant validity. As a result the discriminant validity for both models has been established.

8.10 Predictive validity

According to Bagozzi and Phillips (1991) and Fornell (1982), the conceptual meaning of a construct should be determined not only by its definition and operationalization, but also by its relationship to antecedents and consequences. In contrast, Antony *et al.* (2000) stated that a demonstration of criterion related validity is not required.

Criterion-related validity is defined as the correlation between a measure and some criterion variable of interest. Predictive validity[17] seeks to find support for the validity of the construct by investigating whether it exhibits relationships with other constructs that are in accordance with theory (Peterson *et al.* 1995). Criterion validity is at issue when the purpose is to use an instrument to estimate some important form of behaviour that is external to the measuring instrument (Flynn and Pearcy, 2001; Nunnally, 1978). Technically, one can differentiate between two types of criterion

[17] Criterion sometimes referred as predictive (Carmines and Zeller, 1983).

validity (Carmines and Zeller, 1983). Since the criterion variable might be one which exists in the present or one which one might want to predict in the future, criterion-related validity is broken into two types: predictive and concurrent.

Predictive validity is an assessment of an individual's future standing on a criterion variable and can be predicted from present standing on a measure.

Concurrent validity is assessed by correlating a measure and a criterion of interest, at the same point in time.

However, in the present research, store image is correlated strongly with satisfaction and loyalty measures producing a relatively high R^2 (between to .476 to .423 for Goody's and .386 to 284 for Mc Donald's) for both rivals of the Hellenic fast-food market. So in this case both predictive validity (Loyalty) and concurrent validity (Satisfaction) of the store image scale is obvious and has been established.

8.11 Epilogue

In this chapter, content, predictive and construct validity has been established using both qualitative and quantitative methods. Second, the present study evaluated the factor structure, the convergent and discriminant validity of store image measures for both chain restaurants with structural equation modelling, that is a more powerful statistical technique than the exploratory factor analysis.

All the items loaded proprietary in store image scales applied on the data concerning the two rivals in the Greek market. Support for the measurement scale emerged. Moreover, inspection of the measurement equations as well as their associated test statistics and standardised solution indicated that the six-factor model was clearly replicated. The hypothesis that a valid and reliable customised instrument for measuring store image for fast food restaurants has been confirmed. Therefore, further analysis can be used to test hypotheses about store image and its relationship with consumer satisfaction and loyalty.

The results of the reliability and validity analysis gave an early positive indication of confidence in the research design as a whole. It meant in essence that much greater confidence could be placed in the research results obtained by employing this scale.

The next chapter is the beginning of the final data analysis where hypotheses concerning the relationship between store image consumer satisfaction and loyalty would be tested.

CHAPTER 9

Exploring the Relationship between Store Image, Satisfaction and Loyalty.

9.1 Introduction

In order to explore the nature of relationships between perceived store image, satisfaction and loyalty measures we should test the hypotheses 2 and 3 where there is a significant relationship between store image measures and consumer satisfaction and loyalty measures respectively.

H2: Multiple item restaurant image measures are significantly related to multi-restaurant Satisfaction measures.

H3: Multiple item restaurant image measures do significantly affect purchase intentions, and willingness to recommend toward alternative restaurant chains.

Moreover, the complex relationship between store image, customer satisfaction and loyalty should be explored. The hypotheses stating the mediating role of satisfaction between store image and loyalty measures should be accepted or rejected.

H4: Store image has a direct positive effect on store loyalty

H5: Store image has an indirect positive effect on store loyalty through store satisfaction (act as a mediator between store image and customer loyalty).

For these reasons a number of multivariate methods will be used, namely canonical correlation analysis and structural equation modelling.

9.2 Canonical Correlation

This stage of analysis adopts a multivariate approach. The variables are drawn together in the application of canonical correlation analysis to investigate the relationships between store image factors and satisfaction in the first step as well as the relationship between store image factors and customer loyalty ratings.

Canonical correlation analysis is a multivariate statistical model that facilitates the study of interrelationships among sets of multiple criterion (dependent) variables and multiple predictor (independent) variables (Hair *et al.* 1995). The aim of canonical correlation is to investigate the relationship between a linear combination of dependent variables U (Y1, Y2,...Yq) and a linear combination of explanatory variables V(X1, X2,...Xp) (Mai and Ness, 1999).

It is generally believed that the information obtained from them is of higher quality than those obtained from other statistical techniques as the method imposes more rigid restrictions and may be presented in a more interpretable manner (Hair *et al.* 1995).

The ultimate aim of this analysis in the present research is to examine the rationale of assuming that overall satisfaction and loyalty measures are dependent upon the store image measures.

So, the store image factors scores will be the first set of variables and the satisfaction and loyalty scores will be the other set of variables in step one and two respectively. The number of dependent variables or the number of independent variables, whichever is the smaller, determines the number of canonical function (Mai and Ness, 1999). Thus, the analysis is based upon the derivation of two and three canonical functions respectively.

9.2.1. Store image and Satisfaction

The multivariate test of significance (Wilks' criterion[18]) for the two canonical functions reveals that the overall relationship between the criterion composite variates and the predictor composite variates are significant at p=0.000. According to the test of significance, null hypothesis H2 was rejected. Therefore there are significant relationships between multi-restaurant image measures and satisfaction toward the two rivals of the Local market.

In this analysis, there were two interpretable canonical functions whose canonical correlations were significantly different than zero. The canonical correlation's ranged from .721 to .584. The overlapping variances between pairs of canonical variates

[18] Wilk's is a direct measure of the proportion of variance in the combination of dependent variables that is unaccounted for by the independent variables (Everitt and Dunn, 1991). Wilk's performs in the multivariate setting, with a combination of dependent variables, the same role as the F-test performs in one way analysis of variance.

which are equal to the squared canonical correlation for each function, ranged between from 0.51 to 0.34.

The redundancy index for canonical functions indicated that 42.4% of the variance in the satisfaction variables was accounted for by the variability in the image perception variables. This implied that image perceptions had significant affects on satisfaction measures. Conversely, only 8.9% of the variation in the image perception variables was accounted for by the satisfaction variables.

9.2.2 Store image and loyalty

To test the hypothesis that multi restaurant image measures do not significantly affect loyalty measures towards the two rivals, a canonical correlation analysis was employed using multi–restaurant image measures as predictive and the three loyalty measures as criterion variables. Three canonical correlation analyses were performed.

In the first analysis, the multivariate test (Wilks' criterion) for the two canonical functions revealed that the overall relationship between the criterion composite variates and the predictor composite variates was significant at p=0.000. The same conclusion extracted by the second and third analysis.

In these analyses, there were two interpretable canonical functions whose canonical correlations were significantly different than zero. The canonical correlations ranged from .548 to .462 for the first analysis, .623 and .444 for the second and .665 to502 for the third analysis. The overlapping variances between pairs of canonical variates, which are equal to the squared canonical correlation for each function, ranged between from 0.30 to 0.21, 0.38 to 0.19, and 0.44 to 0.25 for equations 1, 2 and 3 respectively.

As the results shown, there are significant relationships between multi restaurant measures and loyalty measures. The redundancy index for canonical functions for the three analyses indicated that 25.1%, 29.6%, 42.2%, of the variance in the loyalty variables was accounted for by the variability in the image perception variables. This implied that image perceptions had significant affects on multi-loyalty measures. Conversely, only 5.2%, 6.4%, 7.6% of the variations in the image perception variables were accounted for by the proportion of loyalty measures, respectively. Considering the above results from the canonical correlation analysis, the direction of the relationship between store image and customer satisfaction and loyalty is obvious.

9.3 Relationship between store image, satisfaction and customer loyalty

In the previous paragraphs, it has been shown that a significant relationship between store image measures, satisfaction and store loyalty measures exists. The nature of this relationship has to be investigated.

Canonical correlation analysis showed a positive relationship between store image and store satisfaction, as well as, store image and loyalty measures. In addition, the direction of the relationship has been established.

Previous studies have supported the notion that patronage behaviour towards a particular store is dependent on their image of that particular store (Chui 1995; Osman, 1993; Wang, 1990). The more favourable the store image, the higher the valence of the store to the customer. However, the exact relationship between store image and store loyalty has remained inconclusive. There is both evidence for a direct relationship, between loyalty and store image (Majursky and Jacoby, 1986) and for an indirect relationship, whereby store satisfaction acts as a mediator (Bloemer and Ruyter, 1998; Bloemer and Kasper, 1998; Bloemer and Kasper, 1995; La Barbera and MaJoursky, 1983; Houston and Nevin, 1981; Doyle and Fenwick, 1979; Lindquist, 1974). Shemwell *et al.* (2000) suggested that satisfaction is a more central construct and act as a mediator to loyalty. However, the possible role of satisfaction as a mediating variable appears to have received less attention.

In our view, store image is directly and unequivocally related to satisfaction. Store satisfaction means that consumer positively evaluates store image components. Also, loyalty measures have been shown that associate strongly with store image measures as well as, with satisfaction.

The fact that the amount of customer satisfaction and store loyalty in general is positively related as we expect, is hardly supported by the literature. Although a number of studies address the relationship between satisfaction and loyalty there is little empirical evidence to support the explicit relationship between store satisfaction and store loyalty (Hummel and Savitt, 1988).

Therefore, the following hypotheses should be explored:

H4: Store image has a direct positive effect on store Loyalty.

H5: Store image has an indirect positive effect on store Loyalty through store satisfaction (mediator effect).

9.4 Theoretical models

Procedures suggested by Baron and Keny (1986) and Hastak and Olson (1989) were followed to assess whether satisfaction mediates the effects of store image dimensions on customer loyalty. Baron and Keny (1986) suggested that three conditions should be satisfied between the independent variables (store image dimensions), mediators (satisfaction), and the dependent variable (loyalty) to establish mediation.

First, the independent variables need to affect the mediator. Second, the independent variables need to affect the dependent variable. Third, the mediator needs to affect the dependent variable while the effects of the independent variables are reduced.

The above relationship between store image, satisfaction and store loyalty can be investigated by estimating the following models.

Loy=b0+b1(IM) (1)

SAT=b0+b1(IM) (2)

LOY=b0+b1(SAT) (3)

LOY=b0+ b1(SAT)+ b2(IM) (4)

According to the aforementioned criteria, four requirements have to be met in order to conclude that store satisfaction is indeed a mediator variable in the relationship between store image and store loyalty (Bloemer and Kasper, 1998; Baron and Kenny, 1986):

- Store loyalty has to be a function of the image towards the store
- Store satisfaction has to be a function of the image towards the store
- Store loyalty has to be a function of store satisfaction
- In the case of the last model, the effect of store image components has to be non-significant or the effect of each store image factor has to be smaller than the effect of store image in the first model.

The results of the above models are shown in the following paragraphs. The data used for this stage of the analysis refer for discussion purposes only to the first fast food chain namely the Goody's chain. It was decided, to present only Goody's models because results derived from the Mc Donald's data were quite similar and the presentation of the model will not add or change any of the conclusions.

9.5 The presentation of the models and hypothesis testing

In order to gain additional insight into the data, SEM using Amos was employed. SEM has recently become one of the most effective multivariate statistical methodologies for data analysis (Bentler and Bonett, 1980).

The proposed models for this study are presented in Figures 9.1 and 9.2, which represent a number of hypotheses. The major factors and their hypothesized influences show each arrow implying a hypothesized significant influence. The purpose of the conceptual model is to explain the underlying processes through which improvements in store image lead to higher levels of consumer satisfaction and ultimately to such desired outcomes such as intention to repurchase intentions to repatronise the store more often and positive word of mouth (Loyalty).

In this stage, we will examine the four models. The first one is presented in the Figure 9.1 whereas the remaining three models are presented altogether in Figure 9.2.

9.5.1 Store image and Loyalty

The data were subjected to structural equation modeling using AMOS with the items used as indicators of the latent constructs corresponding to the pattern detected in the factor analysis. The store image was indicated by six items. The results of this hypothesised model are presented in Figure 9.1. Figure 9.1 represents the structural equation model of contributing factors, each treated as a latent variable. In this causal model, a number of causal links are reprinted. Each arrow implies a significant influence between variables connected.

The aim of the path diagram is to provide quantitative estimates of the causal connections between sets of variables. In order to provide estimates of each of the postulated paths, path coefficients are computed. A path coefficient is a standardized regression coefficient. The path coefficients are computed by using the structural equation that is equations, which stipulate the structure of hypothesized relationships in a model.

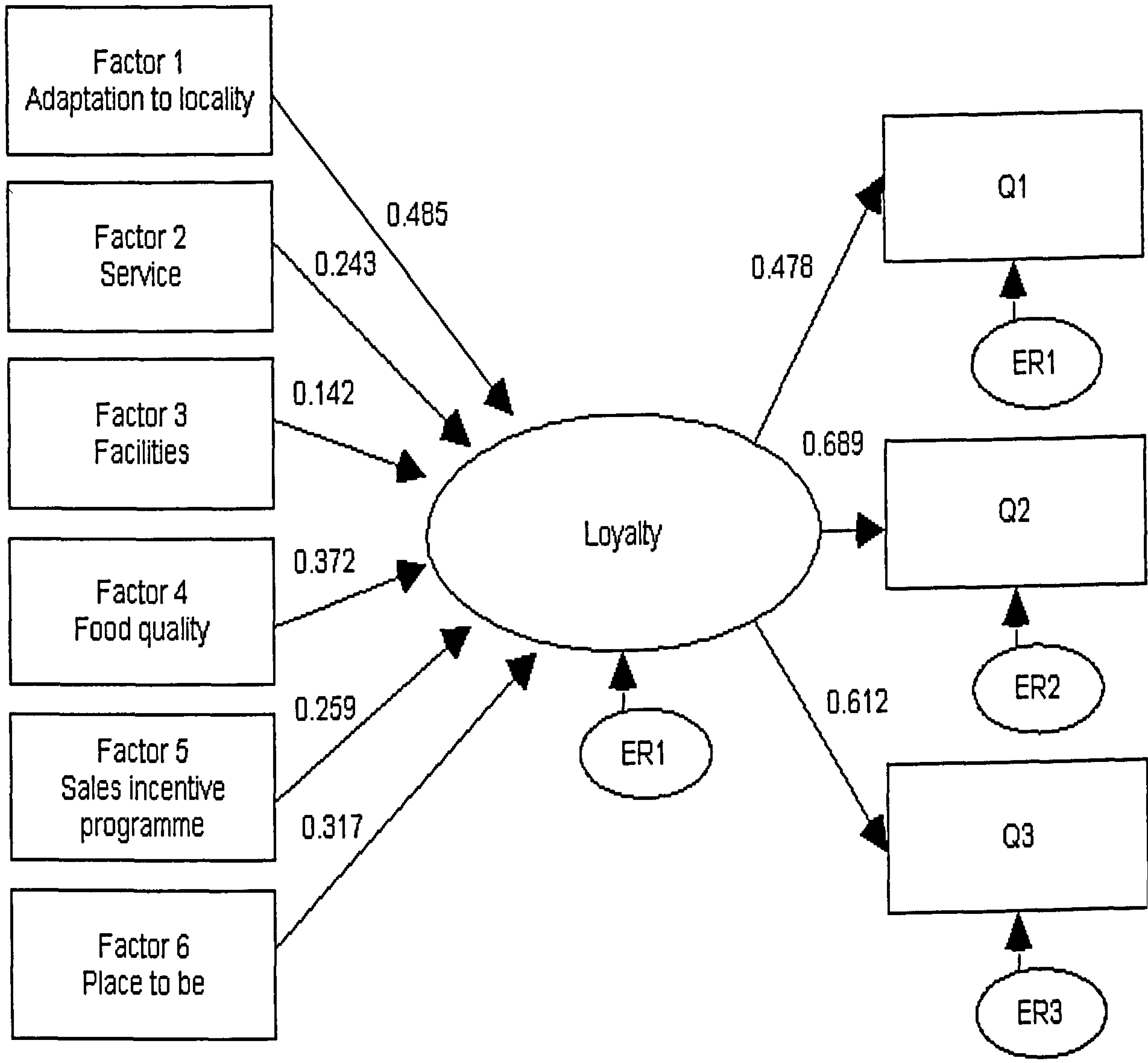

Figure 9.1 Store Image and Loyalty

SMC Loyalty 0.582

Figure 9.1 presents a summary diagram of the proposed structural model for testing the relationship between store image dimensions and consumer loyalty. In this model we assume that a direct relationship between store image and consumer loyalty exists without a mediator.

The path coefficients between store image dimensions and loyalty measures are presented in Figure 9.1.

Results indicate an excellent fit of the model. The model yielded a chi-square value of 45.353 with 27 df (Chi Square/ DF= 1.680). The probability value did not reach a statistical significance, demonstrating that the evaluated model fits the data well. All other indicators also point to a good fit. The GFI was 0.971, adjusted goodness of fit index was 0.952, root mean square was 0.035, NFI= .915, TLI=0.952 and RMSEA=0.04. Overall the data indicate an excellent fit for our hypothesised model.

All the path coefficients are significant (C.R >2), indicating a direct relationship between store image dimensions and consumer loyalty. The first factor (Local character of the chain) has the higher standardised value of 0.485, followed by Food Quality (0.372) and Place to be (0.317) suggesting that these factors have the strongest influence on consumer loyalty.

The other factors namely Service, Sales incentive programs, and Facilities have standardised values of 0.243, 0.259 and 0.142 respectively.

So, there is a direct link between store image measures and loyalty and the first equation is proved.

We next develop the model that we expect will describe the relationship between store image and satisfaction evaluation.

9.5.2 Store Image and Satisfaction

The relationship between store image dimensions and satisfaction can be shown in Figure 9.2

The path coefficients are presented in Table 9.2. The results indicate that store image directly affects satisfaction. The path coefficients are all significant with the exception of factor 3 (Facilities), which has a standardised value of 0.049, which is non-significant.

The higher standardised values have again the Local character of the chain (0.337), the Food Quality factor (0.315) and the Place to be factor (0.288). In this model the Service factor has a higher standardised value than the Sales incentive programme factor (0.238 to 0.216 respectively) suggesting that service has a stronger influence on store satisfaction than 'place to be' whereas 'place to be' factor is more important for customers' store loyalty.

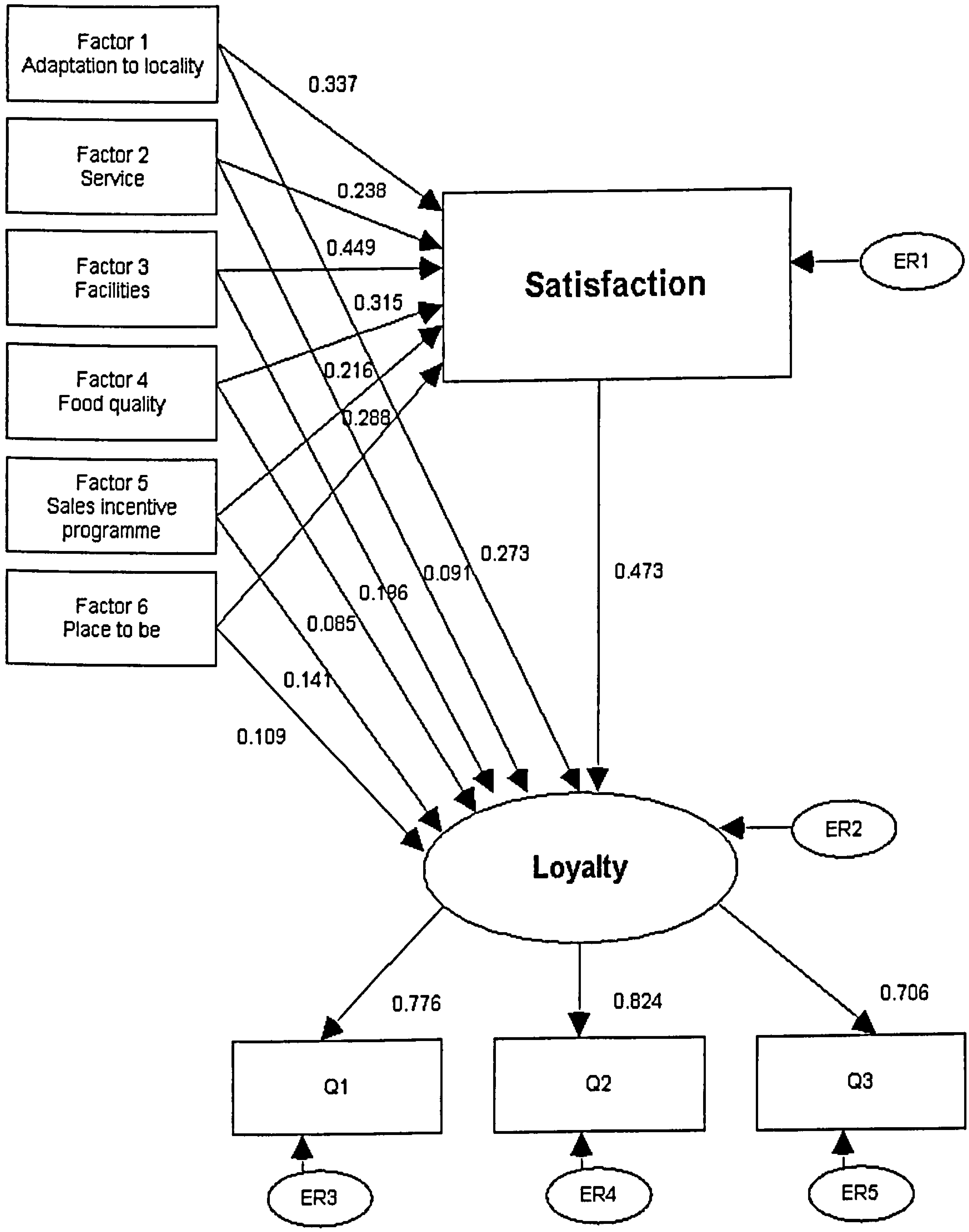

Figure 9.2 Store Image Satisfaction and Loyalty

9.5.3 Store Image Satisfaction and Loyalty

Hypothesis five states that perceived satisfaction mediates the effect of perceived store image on relevant outcomes. The final two equations can be shown in the model presented in Figure 9.2. The overall fit of the model has been improved as soon as satisfaction enters in the equation. In fact the fit of the model was excellent. The model has a chi-squared of 15.5 with 14 degrees of freedom (Chi square/ DF =1.110). The probability value for this chi-squared is well below any conventional level of significance indicating that the evaluated model fit the data very well. Thus the model cannot be rejected, that is, it is accepted as an adequate description of the data.

Furthermore, other fit indices provided by structural equation modelling also demonstrated substantial further support for the goodness of fit of the model. The GFI was 0.990, adjusted goodness of fit index was 0.961, root mean square was 0.018, TLI= 0.993 and RMSEA=0.019. The critical N=1,110 also suggested a good fit. Overall, the data indicate an excellent fit for our hypothesised model. The excellent fit of the model would be an evidence for support of Hypothesis 5 (Shemwell *et al.* 2000).

The path coefficient between satisfaction and loyalty is significant. The standardised value is 0.478 suggesting that there is strong relationship between satisfaction and loyalty and that satisfaction strongly affects loyalty (equation 3). Also, the squared multiple correlation of loyalty increases from .582 to .663, indicating an improved explanatory power of the second model (squared multiple correlation for satisfaction .439).

The standardised values for paths, from store image dimensions to loyalty have been reduced when satisfaction entered in the equation. The Local character factor reduced from 0.431 to 0.273, the Food Quality factor from 0.345 to 0.196 and Sales incentive factor from 0.279 to 0.141. Service factor has a standardised value of 0.091 compared to a standardised value of 0.202. Only the standardised value of Facilities factor has remained almost the same 0.109 to 0.085 (still effect has been reduced), further confirming that the facilities factor has not a significant effect on store satisfaction. [19]

The hypothesis that loyalty acts as a mediator between store image measures and satisfaction, has also been examined. The model has been rejected, as the chi-square to degrees of freedom ratio was 10.667. Moreover, the other indices like GFI= .895, AGFI= .738, CFI= .745 and NFI= .734 show that the model is not acceptable. Hence, the hypothesis that loyalty can be a mediator between store image and satisfaction has been rejected.

The results clarify the process by which store image dimensions influence loyalty. Satisfaction acts as mediator for this link. The model positing a direct and indirect link (through store satisfaction) between store image and loyalty measures performs better than the model positing only a direct link. Thus, over time, the store image-loyalty relationship is best conceptualised as mediating rather than being in a direct relationship.

[19] The total effect (direct + indirect effect) of store image dimensions on Loyalty has almost remained the same. The Greek character factor has a total effect of 0.432, the service factor 0.203, the facilities factor 0.085, the food quality factor has a total effect of 0.345, the sales incentive program factor has an effect of 0.27 and finally, the place to be factor has a total effect of 0.212. So, the effect of store image dimensions on Loyalty is both direct and indirect through store satisfaction.

On the aforementioned requirements, the conclusion can be drawn that satisfaction with the store is a mediator in the relationship between store image and store loyalty, since the standardised regression weights of the store are remarkably lower in model 3 than in model 1. This means that we may accept hypothesis H5 that store image has an indirect effect on store loyalty through store satisfaction. The role of satisfaction in predicting store loyalty measures is well established (Mai and Ness, 1999; Ruyter *et al.* 1998; Zeithaml, Berry, and Parasuraman, 1996; Anderson, Fornell, and Lehmann, 1994; Biong, 1993; Selnes, 1993; Cronin and Taylor, 1992). In contrast Adreassen and Lindestad (1998) suggest that while image has a strong effect on loyalty, customer satisfaction has no significant effect on loyalty. However, the mediating role of satisfaction between store image and customer loyalty is supported by a number of studies (Mittal *et al.* 1999; Kasper *et al.* 1996 and 1997; La Barbera and Mazursky, 1983).

As a result, findings are congruent with past research on the relationship between store image satisfaction and loyalty

9.6 Epilogue

The findings strongly support the role of satisfaction in mediating intentions and loyalty behaviour. As hypothesised, store image dimensions influence store satisfaction and store loyalty and store satisfaction has a great influence on store loyalty.

However, the results also show that despite a high and significant effect on store loyalty measures, the effect of store image to store loyalty when satisfaction enters the measurement model is indirect and moderated by satisfaction. As a result, satisfaction was found to act as a mediator between store image and loyalty measures.

Also, the results show that store image has a strong direct effect on satisfaction. This result suggests that store image interventions can be initiated as a means of improving customer satisfaction and then customer loyalty. Of course, there is not only an indirect effect but also a direct effect. Thus, the results suggest that improving store image perceptions lead to higher satisfaction levels and ultimately, to an increased patronage behaviour and positive word of mouth.

The next chapter will discuss the findings of the research activity. Specifically, store image scale development will be discussed alongside the relationship between the derived scale, satisfaction and loyalty measures employed. Furthermore, marketing implications as well as recommended strategies will be discussed.

CHAPTER 10

Discussion

10.1 Introduction

The philosophy that marketing activities must be based on a thorough understanding of consumers, as well as their motivations, needs and wants is the central theme of the marketing concept (Kotler, 1995). Acceptance of this philosophy means a true consumer orientation, which in turn has provided the impetus for studying consumer behaviour.

Moreover, service-marketing researchers have suggested that a strategy for survival and success of service firms is the delivery of quality services that satisfy consumer's needs and wants. However, the design and implementation of such a strategy can never be successful unless service marketers first determine how customers perceive their services. Over the past thirty years, various variables have been examined extensively, in order to understand, explain and predict consumer behaviour.

The restaurant sector is clearly going to hold an important strategic position in the future in Greece. In recent years, the fast food restaurant sector has shown a remarkable increase. So, understanding the factors that influence consumer behaviour is of critical importance for marketing managers of the restaurants under investigation.

A scale was created to measure the variables of interest. Thus, this chapter begins with a discussion of the findings related to the scale development and scale refinement processes utilized in this study. Then, findings relevant to the ability of derived store image dimensions in predicting fast food consumption behaviour have been explored. Based on these, marketing implications and suggestions are discussed.

10.2 The need for a new store image scale

Image has had a long history in the study of marketing, and as a concept, is one of the cornerstones of consumer behaviour theory. However, like many concepts in marketing, difficulties have been encountered in trying to operationalise its meaning. Much of the work in the marketing area emphasises the implications of image for purchasing behaviour. Definitions of image rarely go beyond calling it a 'set' or 'constellation' of values and meanings representing a product or service (West, 1992). Indeed, a fast food restaurant's image is composed of many dimensions, each interacting with others to influence the kind of image various consumer groups hold for the restaurant.

In the first part of the research, an extensive literature review concerning store image development was conducted. The results show that previous literature on this key issue is limited and far from conclusive. To our knowledge, no one has yet attempted to develop empirically an image scale in the context of fast food restaurants in Greece.

Although, Karathannasi (1996) suggests that researchers can use a modification of developed scales, this study has not adopted this approach for two reasons. The first reason is Hirchmans' *et al.* (1978) observation that the salient dimensions of store image may vary from market to market. The second one is that according to Jhon and Teas (1996), restaurants have different properties than the other types of stores.

Moreover, the research has proceeded from the point of view that store image is not a static measure but a dynamic one. The explanation derives from the definition of the store image itself as, store image is not dependent solely on the physical attributes of the store nor on objective reality, instead it is based on consumer perceptions of that reality.

Bearing all this in mind, the apparent lack of standardized instruments measuring store image performance for fast-food restaurants, especially in the Local context, which allow both researchers and practitioners to study consumer behaviour in fast food industry, necessitated the development of the store image scale.

10.3 Scale development

An eight-step process based on Churchill's (1979) model, guided the development, validation and refinement of the scale.

A number of authors (Delgado *et al.* 2003; Li *et al.* 2002; Srinivasan *et al.* 2002; Sweeney, 2001; Newell and Goldsmith, 2001; Yoo and Donthu, 2001; Cadogan *et al.* 1999; Diamantopoulos and Souchon, 1999; Pecheux and Derbaix, 1999; Renn *et al.* 1999; Kacmar and Carlson, 1997; Kim and Lee, 1997; Wang and Mowen, 1997; Stone, 1995; Reardon *et al.* 1995; Evaggelopoulos, 1993; Nye and Witt, 1993; Vandamme and Leunis, 1993; Spector, 1992; 'DeVellis, 1991; Parachumaran *et al.* 1988) followed a similar way for scale development.

An extensive literature review was followed by a qualitative research where the primary instrument was developed. A quantitative survey with a sample of three hundred participants, followed. The data were analysed using principal components analysis with a varimax rotation. The reliability and validity were established through the calculation of item to total correlations, Cronbach alpha reliability estimates and the application of factor analysis to the data collected through the first stage of the study. A seven factor, 24-item was found to capture the multi-dimensional nature of the fast-food store image. The psychometric properties of the scale were re-evaluated through a second stage analysis with new data collected for this study.

The questionnaire was first pilot tested, in order to find out questions that were difficult to answer, the causes of the difficulties (e.g. the length of the questions, the ambiguity of the questions, etc.) and suggestions to improve the questionnaire.

The modified instrument was factor analysed based on the new data collected from a second sample. Using exploratory factor analysis some further refinements occurred. Items with small loadings and low item-to-total correlation were deleted. The results of varimax rotated factor analysis confirmed the theoretical groupings of items for measuring store image.

Concerns regarding the use of psychographic scales have been related to the stability of the factor structure and composition as well as to the stability of the reliability estimates in successive applications of the scale (Wells, 1975). So, the derived scales were further evaluated on reliability and validity. Cronbach alpha coefficients were used to establish the reliability of each factor and the total scale reliability. The analyses provide strong empirical support regarding the psychometric properties of the store image scale.

Panels of experts and non-experts participating in the study evaluated the scale's content and face validity. The scale's dimensionality was evaluated by the application of factor analysis and structural equation modeling to data collected from the study of fast food chains. Convergent and discriminant validity issues were examined by employing regression and confirmatory factor analysis.

The construct validity of the scale was first evaluated using a number of multivariate methods namely, factor analysis, and regression. The results showed that the scale has adequate construct validity. The factor items have been found to be unifactorial. In terms of regression analysis, the scale behaved as it expected, as it showed high correlation with the summated measures and a relationship with satisfaction and loyalty measures.

The results of confirmatory factor analysis based on structural equation modeling, has lent further support to the internal properties of the scale. This evidence, together with other evidences, which have been established previously in relation to store image validation, demonstrate the appropriateness of the scale as a Psychometric instrument for measuring store image.

Inspections of the measurement equations, as well as their associated test statistics and standardized solution indicate that the six-factor model was clearly replicated, as the model provided a good fit. These findings are of special interest to the researcher since they demonstrate that the six-dimension model was consistent with that previously found during initial development of the scale through an exploratory factor analysis and it agrees with the evaluations of focus group participants.

The final structure of the scale included six factors consisting of 14 items. The new instrument was found to capture the multi-dimensional nature of the fast-food store image. An examination of the content of the final items making up each dimension suggested the following labels for each of the six dimension: a) Adaptation to Locality b) Service c) Facilities d) Food quality e) Place to be and g) Sales incentive program.

In conclusion, the results from the scale development and purification procedures used in this study, indicated that store image scale has psychometric qualities. The items were derived from published research and focus group research, and the structure of the scale was found to be similar with previous researches. It appears to be conceptually consistent with theoretical propositions in the marketing and especially in the services marketing literature. Its application however, would require the modification of specific items to fit the realities of the existing markets.

In the next paragraphs a discussion about the scale quality will follow.

10.4 Discussion of the scale

The store image scale has been derived empirically and it is factor based and it was found to have sound psychometric properties. An examination of the content of the final items making up each dimension suggested the following labels for each of the six dimension: a) Adaptation to Locality b) Service c) Facilities d) Food quality e) Place to be and g) Sales incentive program. However, it is of great importance to compare the scale with previous attempts to measure store image dimensions.

Numerous attempts have been made to delineate the dimensions upon which store image should be studied. However, no consensus has been reached on a set of universal image dimensions (Amirani and Gates, 1993). May (1974-75) suggested that the number of dimensions is uncertain and according to Marks (1976) that depends upon the creativity of the author, ranging from as few as six to as many as forty-two.

So, an image is made up of many different things, some measurable, some not measurable, some significant, some insignificant, some changeable, and some unchangeable. For the fast food store image scale, there are just a few scales against which the findings of this study could be compared. However, theoretical propositions and empirical work found in the services marketing literature corroborate the findings of the study.

Previous research (e.g Lips *et al.* 1998) shows that customers consistently use a limited set of perceptual dimensions to predict and evaluate the outcomes of service interactions and relationships. Although virtually all store image studies employed lists of ten or more attributes, research indicates that the number of beliefs salient for an individual normally ranges from five to nine. Thus, it is crucial to include only those attributes deemed salient by the potential market segment (James et al. 1976).

West (1992) suggested that a fast food restaurant's image is composed of many dimensions, each interacting with others to influence the kind of image various consumer groups hold for the restaurant.

Among the most important dimensions of a restaurant image are:

- *Architecture and exterior design*
- *Interior design*
- *Staff*
- *Menu content and breadth*
- *Signage and logos*
- *Advertising and sales promotion*
- *Location*
- *Other consumers*
- *Merchandising*

West (1992) supported the notion that each store may have various images each dependent upon the characteristics of the different market segments. The interaction between store attributes and public perceptions define the restaurant's image. To his view, Fast-food companies have tried to convey some universal image elements related to the quality, service and value propositions.

In Table 10.1, a summary of the attributes and dimensions that researchers have utilized in order to evaluate store image and customer evaluation of the store in the restaurant industry is presented.

The derived scale is in line with store image measures as it includes food, quality, atmosphere, service, facilities and promotion. The new factor that has been emerged from this research is the Adaptation to Locality factor.

Table 10.1 Review of Restaurant Studies

Author	Research context	Dimensions employed
Downey's (1997)	Attitudes towards Fast Food	Cleanliness, food quality, use of fresh food, value for money, prompt service, comfortable seating, relaxed atmosphere, menu variety, no lines or waiting, convenient location, unique menu items, accommodate kids and being greeted by name.
Prisma Options (1997)	Store image attitudes, Fast food	Taste, quality of food, selection of food, friendly service, speed of service, pleasant atmosphere, price, cleanliness and ability to accommodate kids.
Cadotte *et al.* (1997)	Fast Food Evaluation	Food quality, speed of service employee friendliness atmosphere cleanliness price/value and quality of employee service
Morgan (1993)	Fast food benefit segmentation (part of image dimensions)	Food-service quality, family price-value and time convenience
Chui (1995)	Restaurant store image	Restaurant location, restaurant layout, price ranges and other qualities such as food and beverage, as well as, friendliness of restaurant personnel, atmosphere or attractiveness of décor
Sou Lh (1995)	Restaurant image	Variety, freshness, taste of food, large size of portions, nice food presentation, cleanliness, surroundings, atmosphere, noise level, friendly service, speed of service, knowledgeable service and price. Also, explore new ideas, expand my knowledge, discover new things, gain a feeling of belonging, interact with others, gain other's respect, slow down, rest, and avoid the hustle and bustle of daily activities.
Auty (1992)	Restaurant	Food type, quality, Value for money, Image and Atmosphere, Location, Speed of Service, Recommended, New experience, Opening hours, Facilities for children
Soriano (2002)	Restaurants dimensions	Quality of Food, Quality of Service, Cost/Value and Place
Wang (1990)	Restaurants consumer expectations	Food quality, menu variety, size of portion, value for money, employee friendliness, quality of service, Promptness of service, atmosphere/décor, and cleanliness.

Moreover, the derived scale is similar with other published research that operates store image in the retailing context such as the one by Oxenfeldt (1974-75) and Lindquist (1974-75). Finally, the derived scale is similar to Chosh's (1990) retailing image scale (no cultural factor).

To sum up, the scale utilizes similar dimensions with other published studies, further supporting the usefulness of the instrument in order to analyse fast food consumer behaviour.

10.5 Factor importance

Store image not only serves as a predictive tool for store choice but is widely used, as an analytical device to diagnose the weakness and strengths possessed by each store relative to others. The knowledge of the relative importance of the image dimensions is a valuable input to the management of basic information about its business (Chui, 1995).

For deciding the relative weights of the six factor dimensions in influencing customers' overall image, the regression method was suggested by a number of researchers (Le Blang, 1998; Parasumaran *et al.* 1988, 1991). By regressing the individual dimensions, using a standardized slope coefficient the relative importance of each dimension can be ascertained (Pitt *et al.* 1997).

The relative importance of the attributes can be assessed by one of several methods. One is to compare the magnitude of the regression coefficients or the standardized coefficients betas. However, it is important to note that the interpretation of regression as importance weights is a subject of considerable debate in the social science. It has been shown that the beta coefficients may not give a very reliable measure of the relative importance of regression independent variables, especially in the presence of multicollinearity (Rust *et al.* 1994; Rust and Zahoric 1993). Instead, Brings (1994) recommends using the magnitude of each independent variable's t-statistic as an indicator of relative importance, what is what we use in the present research. So, the largest t-statistic corresponds to a large importance (Lips, 1998; Pitt *et al.* 1997; Danaher and Haddrell, 1996).

Table 10.2. Regression (Store Image) for Goody's Chain, (R^2.602)

Factors	**Standardized Coefficients Beta**	**T-values**
F1 Adaptation to Locality	**.386**	**10.574**
F2 Service	**.267**	**7.298**
F3 Facilities	.139	3.796
F4 Food Quality	**.374**	**10.280**
F5 Place to be	.241	6.635
F6 Sales incentive program	.251	6.902

Table 10.3 Regression (Store Image) for Mc Donald's Chain, (R^2 .525)

Factors	**Standardized Coefficients Beta**	**T-values**
F1 Service	.253	5.222
F2 Food quality	**.352**	**7.256**
F3 Adaptation to Locality	**.270**	**5.564**
F4 Facilities	.137	2.831
F5 Place to be	**.288**	**5.875**
F6 Sales incentive program	.256	5.258

The results of the regression analysis show in order of importance the factors that impact on customer's perception of the image projected by the fast food chains.

The data were also subjected to SEM with the items used as indicators of the latent constructs corresponding to the pattern detected in the factor analysis. The measurement model that results from the analysis can be used to assess the relative importance of the various items in determining the constructs (Bredhal *et al.* 1998). The standardized values from the employment of structural equation modeling can be used as a sign of the relative importance of each dimension (Arbuckle, 1994).

The standardized values for predicting satisfaction and Loyalty in the study of the first chain are presented in Table 10.4 and Table 10.5 (for brevity reasons the researcher will use only the results of the first case analysis).

Table 10.4. Standardized Regression Weights Satisfaction (Goody's)

Standardized regression weights			**Importance**	**C.R.**
F1	SAT	0.337	1	8.114
F2	SAT	0.238	4	5.724
F3	SAT	0.049	n.s	1.170
F4	SAT	0.315	2	7.693
F5	SAT	0.288	3	6.967
F6	SAT	0.216	5	5.227

Table 10.5 Standardised Regression Weights Loyalty (Goody's)

Standardized regression weights			Importance	C.R.
F1	Loyalty	0.273	1	5.735
F2	Loyalty	0.091	5	2.052
F3	Loyalty	0.085	6	2.030
F4	Loyalty	0.196	2	4.260
F5	Loyalty	0.141	3	3.126
F6	Loyalty	0.109	4	2.501

Results show that food quality and the local character of a restaurant are the main factors that influence perception of store image. In addition, they are important contributors to customer satisfaction and to gain consumer loyalty. In all cases, they have been found to have the greatest impact on a consumers' evaluation.

The results showed that service is an important dimension for store image formation but its importance is lower on satisfaction measures and has been further reduced on loyalty. In contrast, the 'Place to be' factor has higher importance on consumer satisfaction and loyalty whereas it has not high participation on store image evaluation.

A review of the literature showed that food quality has been found to be the most important factor in restaurant evaluation (Soriano, 2002; Clark and Wood, 1998; Dinners, 1992; Freedman, 1991; Quinlan, 1990; Morgan, 1988; Lewis, 1981) followed by the atmosphere of the store. On the other hand, results from Auty's (1992) study do not support the argument that style or atmosphere is even among the three most important variables in restaurant choice. Food type and quality still ranked higher than image and atmosphere with food type being especially important.

The results are consistent with previous published research, as food quality was in almost every case the predominant factor for restaurant evaluation. Of course, Adaptation to Locality is a new derived factor and as a result, it is not even possible for the researcher, to make any comparison.

Furthermore, Burich and Kotler (1991) argue that a company needs to identify its image strengths and weaknesses on key attributes for each target group and to take corrective action to better its image. T-tests were conducted to determine whether there are significant differences between store image ratings, satisfaction and loyalty (Dabholkar, 1994). The results show that there are significant differences in the ratings of the two fast food chains[20]. Then the ratings can be correlated to other company's indexes such as, performance, profits and market share. It would be of great importance for marketing managers to conduct an analysis based on the previous propositions made by the researcher. Further research on this issue is critical.

However, the relative ranking of importance for each image attribute does not appear to be consistent across markets as store image is based on consumer perceptions and not on objective reality. Thus, a retailer may be able to determine in one market the attributes most salient to achieving a successful store image and assume with reasonable assurance that these same attributes will be relevant in other markets.

[20] The presentation of this analysis is beyond the scope of the present research

10.6 Scale Dimensions

A brief discussion on the derived dimensions will follow.

10.6.1 Adaptation to Locality

Adaptation to locality has been found as the most important factor in the formation of store image as well as in predicting satisfaction and loyalty in the research. It consists of three measures concerning the local character of the fast food restaurants. a) "Goody's-Mc Donald's food is closer to my culture diet", b) "Goody's offer food in the Greek way" and, c) "The service is right for me as a Greek at Goody's-Mc Donald's". Cronbach alpha values were .7971 for the first case and .6707 for the second case respectively.

Results from focus group research indicated that **Adaptation to Locality,** a factor that has not been found previously in any published store image research, was the most important factor for store image formation. Moreover, participants agreed that the Local character of the store is the most important reason for choosing to eat at a specific fast food restaurant. They believe that eating out is more than the food itself. Northern Greeks consider eating, especially at a restaurant, as a more of a social, family related, or entertaining experience, even if it involves part of a busy day. So, they think that this part of everyday life is strongly connected with their traditions and culture. However, they are willing to try new tastes, like the hamburger, especially when the cooking and the whole meal experience are adapted to the local way of eating. Finally, they appreciate special meals for religion reasons as a sign of adaptation to the local way of living.

It is widely accepted that consumer attitudes are a function of the cultural, economic and social environment. What fast food restaurants are to Greek customers may not be what they should be to customers from other countries. McDonald's in China for example, have succeeded, because they represent to ordinary Chinese consumers, American culture and the promise of 'connectedness' to the transnational world (Rowe, 1996). Locals may have a different concept of what makes up a good fast-food restaurant. This difference can also be attributed to the prevalence of traditional Souvlaki (fast food of local culture), which influences local consumers' perceptions of US type fast food restaurants.

Furthermore, northern Greeks have a somewhat different "cuisine" and tradition of the "meal experience" than other countries. However, an important feature of global marketing is the mobility of consumers and the frequency of their exposure to many cultures, especially the Western consumption culture (Belk, 1988). The Local consumer is not an exception. Moreover, the hamburger itself now represents a kind of international food experience. Even in this case, northern Greeks think that it should be adapted in the local cultural cuisine.

Past studies have recognised the role of tradition and culture in consumer choice. In the marketing communications and consumer behaviour literature, the use of personal, cultural and social values has been heavily emphasized (East, 1997). That is the reason why many researchers have adopted a comparative study of concepts across countries. A country's culture has long been identified as an environmental characteristic that influences consumer behaviour and the many aspects of a culture affect differently the needs consumers satisfy through the acquisition and use of goods and service (Roth, 1995).

Hirschman (1978) supported the notion that retail phenomena are influenced by their immediate cultural environs. Gronroos (1990) recognized the distinctive role of tradition and ideology on consumer expectations. Furthermore, he argued that tradition and ideology will also influence the image but they are normally less important.

Simpson (1995) also found out that expectation and perceptions are influenced by customer nationality. That is very important, especially for Greek consumers because ethnocentrism is significantly higher in Greece than the other European countries. Findings from previous studies suggest that Greek consumers have firmer opinions about the morality of buying foreign-made products than consumers in other countries and that Greek consumers tend to agree more with each other in this respect (Commission of the European Communities, 1995).

Reardon *et al.* (1996) examined the challenges and responses of various service firms that have expanded internationally. Their findings indicate that cultural differences have been recognised as a marketing problem. Chadee *et al.* (1996) found that there are significant differences in the way that students from different cultures perceive quality factors.

Chaipopuritana (1998) concluded that if companies want to succeed, they have to fully understand the culture of the country they operate. Roth (1995) suggested that managers can use knowledge of a market's national culture to develop successful image strategies:

> "It may be worthy to investigate which aspects of culture can have a significant impact on the performance of image strategies. Nonetheless, further research examining subculture effects may enrich our understanding of image performance".

The results have shown that the local culture factor is strongly associated with 'food quality' and especially with the 'Place to be factor'. Moreover, all the correlations with the other factors are relatively high. So, consumers consider ''Adaptation to Locality'' when they rate any of the other factors and especially with the factors that please them more. Finally, they strongly believe that the local character is the competitive advantage in the restaurant industry. Similarly, past research has shown that consumer satisfaction is related (among to other things) to culture (Hsu *et al.* 1997).

To sum up, culture has been found from the research to be the most important factor in store image formation for local fast food restaurants, as well as in satisfaction and loyalty ratings. The results can be very useful to marketers who want to invest in the local or other foreign markets. Because of cultural differences in markets around the world, it is difficult for business managers to make marketing and operating decisions appropriate to the markets served outside of their own country. Understanding of customer perceptions is especially important to international service firms because such perceptions are susceptible to cultural differences.

To better serve foreign markets, especially in the food and restaurant sector, it is important for managers to have a clear understanding of what customers in each culture expects (Sharma and Johnson, 1987) and differentiate their product offered, in order to meet customer needs and wants. In countries with different cultures, tastes and living habits, food service companies need to be aware and adaptive to local needs (Lee and Ulgado, 1997).

10.6.2 Food Quality

Food quality was the second most important derived factor in the research. It consists of two measures concerning the quality and taste of the food. i) "Goody's-Mc Donald's use fresh ingredients for the food served" and ii) "Goody's-Mc Donald's offer high quality products". The food factor exhibited the higher value of alpha in both cases.

Food was found to be the second most important factor in predicting store image for local consumers. Using the data derived from focus group, the quality of food is used interchangeably with food taste. Consumers consider as an indication of food quality the use of fresh ingredients, the use of fresh vegetables and sauces. Moreover, focus group participants consider the offering of salads and products close to Greek diet as indicators of food quality. Finally, they consider it as one of the most important factors for the formation of store image and for consumer choice.

The results have confirmed this hypothesis as food quality has the second standardized value in the structural equation model (or the second value of beta in regressions). The correlations with the local character of the stores, in both cases, are the highest. Moreover, the food factor is also strongly correlated with the 'place to be factor' (or pleasantness of eating in the store factor) for both chains. The importance of food quality is obvious as the ''Adaptation to Locality'' and ''pleasantness of eating in the store'' factor were the other two most important factors,.

According to the Institute of Consumer Rights in Greece, 57% of Greek consumers are concerned about the quality of the food offered by fast-food restaurants (Care, 15/1/01). Moreover, research undertaken at the Aristotle University of Thessaloniki found that Greeks consider food as an important part of their culture (To Vima, 7/1/01). So it is of vital importance that fast food restaurants offer the best quality products to their customers.

Food quality factor has a high relative influence in store image formation and in satisfaction and store loyalty. Previous studies have also found similar findings. Pettijhon *et al.* (1997) suggested that food quality is one of the most important attributes in the fast food restaurants. According to Dinners (1992), seventy five percent of the people surveyed ranked food quality as the most important factor for fast food restaurants. Fresh ingredients, tasty food, nice presentation and a variety of food and beverages were identified as the most important attributes of Consumer satisfaction/Dissatisfaction.

Lewis (1981) found that food quality was the most important factor in restaurant choice or the most important consideration influencing restaurant selection by consumers. Food type and food quality were also found the most important factors in consumer selection in Auty's (1992) work. Moreover, quality of food and fresh ingredients have been rated as the most important reasons for customers repatronising a restaurant (Brumback, 1998). Soriano (2000) agreed with this view as he concluded that ''the quality of food was the most important reason for customers to return to the restaurants. The results are consistent with the traditional concept that quality of food is still the most important reason for the general population of the restaurant being studied.

Freshness and product quality are regarded as indicators of a general quality perception (Hildebrandt, 1988). Quality of food and friendliness of staff were the most significant values in the studies of Clark and Wood (1998) and Downey's (1977). Freedman (1991) stated that service is critical in restaurants but the food is the single most important element in quality. As a result, food is the most important element of store image.

This is in line with other store image studies concerning other types of retail outlets where the factor representing the quality of core product was found to be the most important element of store image formation. The store image literature also treats merchandise quality as a key variable influencing store image (e.g Hildebrandt, 1988; Mazursky and Jacoby, 1986). Finally, Baker *et al.* (1994) suggested that merchandise quality is an antecedent of store image, serving as a mediator rather than component of store image.

Marketing managers need to be more aware of the distinct customer expectations and perceptions concerning food quality and taste. Fast food restaurants should offer the best quality products for their customers and try to communicate this image to the customers.

10.6.3 Service

Service has been found as a critical factor in explaining store image formation. In the present research, service was derived as one of the six underlying factors.

This factor is represented by four measures found to be relevant to the Service provided in fast food restaurants a) Goody's-Mc Donald's staff are willing to correct errors in food orders b) You do not have to wait long to be served at Goody's-Mc Donald's c) Goody's-Mc Donald's staff are very helpful/polite d) Service is reliable and consistent at Goody's-Mc Donald's. This factor is referred to as **SERVICE.**

Focus group participants define service as speed of service, reliability, and staff politeness. In addition, they ask for table service. They support the notion that the delivery of high quality of service is a critical factor of customer satisfaction and loyalty. Finally, they think that the image of a fast food chain is a result from the service being offered in chains outlets. Results from the quantitative research indicate that service factor has a strong relative influence in store image formation and in explaining customer satisfaction and loyalty.

Service has been found to correlate strongly with 'facilities', and 'food quality'. Also, 'Service' alongside with 'food quality' are the critical factors that constitute the Local character of the store especially in the case of the first store Goody's (correlation equal to .426). Service predicts customer satisfaction very well, as the standardized regression weight value is relatively high but not fast food consumer loyalty as the standardized value is less than .1 when satisfaction is present in the SEM.

The results of the study are in agreement with previous studies, as store image studies have indicated service being a critical component in store image formation (Reardon *et al.* 1995; Dearden 1995; Martineau, 1958).

Gronroos (1984) suggested that image is mainly the result of the perceived service. In an increasingly competitive environment, marketers realize that to retain customers and to survive and grow, they must provide a high quality of service that exceeds customers' expectations (Dabholkar *et al.* 2000). In the last decade customers have been increasingly concerned about the quality of service (Sparrow and Wood, 1994). Indeed companies must be service driven, especially the restaurants. Johns and Pine (2000) concluded that in restaurant studies, customers see service as one of the factors affecting the quality of the restaurant offering. So, the delivery of high levels of service has been a key area (Mehtra *et al.* 2000). The role of service in restaurant surveys has been explored in attitude surveys by a number of researchers (Heung *et al.* 2000; Jhonson and Mathews, 1997; Stevens *et al.* 1995). Soriano (2002) reports that there is a tendency for service to be the next most important attribute of restaurant success after food quality. Stevens *et al.* (1995) argued that service is a critical component for satisfaction in the restaurant sector. Hence, fast food restaurants should be committed to deliver high levels of service.

Two measures (a) and (c) referred to staff. The act of purchase involves the interaction with staff. Such face-to-face contact can alter considerably the image projected by other image determinants. If employees are approachable, courteous and efficient, customers are more likely to develop a favourable image towards the store (West, 1992).

So, the performance of personnel and the nature of the customer personnel interactions that take place during the service encounter, influence the outcome of service evaluations and increase loyalty (Lips *et al.* 1998; Davies, 1993; Heskett, 1987; Gronroos, 1984). Davies (1993) suggested that retailers should not only provide enjoyable and convenient shopping for their customers but at the same time to have knowledgeable, helpful and genuinely friendly staff. Fast food services involve direct contact between the customer and the service provider. This means that, in addition to task proficiencies, interpersonal smiles like courtesy, friendliness, tolerance and pleasantness are important dimensions (Merha and Adlanha, 1992; Downey, 1977). Front line employees are the key to customer satisfaction (Wirtz *et al.* 2000). Lee and Hing (1995) suggested that quality in restaurants is created during the process of service delivery, in encounters between staff and patrons. Personnel through their behaviour and attitudes are indicative of the level and quality of services offered by the service firm and they exert a strong influence on customer satisfaction and loyalty (Lips *et al.* 1998; Clark and Wood, 1998; Johnston, 1995).

Moreover, Hildebrandt (1988) showed that "good staff", as a component of store atmosphere, was associated with product quality (in the present research there is a strong correlation between service and food quality). Therefore, consistently courteous and knowledgeable employees can help develop consumer confidence in the food and services, and reduce uncertainty about the fast food restaurant (Lee and Ulgado, 1997).

Speed of service is another important attribute of the delivering of high levels of service. Majursky and Jacoby (1986) suggested that the number of salespeople and cashiers per department resulting in a high speed of service were used as cues in judging service quality. Heung *et al.* (2000) suggested that speed and convenience are the essential features of fast food restaurants.

In contrast, Lee and Ulgado (1997) argued that service speed may still be important, but no longer dominate their mind-sets, as other service features also become significant in achieving consumer satisfaction. In addition, Quinlan (1991), a marketing director of Mc Donald's, suggested that "Speed of service is a critical component of fast food formula, but it has never been either the starting point or the goal of our business". Actually, consumption and waiting times at fast food premises are usually culturally predetermined (Birch *et al.* 1984). However, Becker and Murrmann (1999) suggested that effective time management could offer a point of competitive advantage to an operator who wishes to maximize customer satisfaction.

As a result, fast food restaurants should focus on speed of service as consumers consider it as a reason to visit them and they feel rather annoyed when they have to wait in a queue for a long.

Moreover, service should be reliable and consistent across all stores. Because the service delivery process in all fast-food restaurant chains is fairly standardized, the service of one fast food restaurant may easily influence the expectations of all others.

10.6.4 Facilities

Facilities have been found one of the six underlying factors emerged from the iteration process. The factor consists of measures concerning the ambient and the facilities provided. Facilities factor consists of three measures a) Goody's-Mc Donald's has a nice/well managed kindergarten b) In Goody's-Mc Donald's there is an appropriate place for parties c) Goody'-Mc Donald's cannot accommodate children.

According to the focus group participants, the facilities provided by the store are a good reason for them to visit the restaurant. Especially, parents and grandparents, as well as people who go to eat out with children. Moreover, it is a sign that the store understands its customer. Other customers feel convenience as they can eat without noise and further disturbance. The provision of facilities attracts customers for special occasions, on the one hand, and helps store to well establish a competitive advantage on the other.

Facilities can increase chains' revenues as it can attract situational customers, especially those who want to organize children parties, or parties for special occasions and they do not have the appropriate place in their houses. Fast food restaurants promise fun and if the commercials could not deliver it or if the happy meals could not deliver it, then the play-areas would fulfil the promise. Since the play-areas were accessible only through the restaurants, fast foods count on the fact that most families order a meal too. So, the land and not the food itself become the overriding reason for the visit.

In addition, the restaurants should be child-friendly. Aiming for the provision of a high chair is evidence of comfort. However, it can be taken as an icon of friendliness (Specifically child-friendliness), or a sign that the restaurant ''understands and knows its customers'' (Parasumaran *et al.* 1988). Kindergartens, party places and the provision of special chairs are signs that fast food chains take care of their customers. Fast food restaurants have elevated even lunch to the status of being a special treat for children. But the treat is also for the parent.

The Facilities factor has not had a significant impact on satisfaction. However, it had a significant impact on consumer loyalty. Even in this case, the relative impact of facilities in predicting store loyalty is small. That means that consumers are neither satisfied or dissatisfied by the facilities provided, but facilities (i.e. playground for children) is a reason to go and eat there due to the lack of alternatives. As the majority of fast food restaurants outlets in Greece provide these facilities, consumers prefer to dine there than in another restaurant. As a result, there is no differential advantage among fast food chains and the competition lies among the outlets.

Although the results have shown that facilities is the least important factor for customer loyalty, the marketing manager of the food chains should pay special attention to the provision of the facilities inside the store. Facilities are positively related to Service, meaning that consumers tend to consider providing facilities as a part of the Service offered. Therefore, the importance of the provision of good facilities should not be ignored.

Lindquist (1974), in a review of store image studies, found that ''physical facilities'' was one of the nine major factors included in the studies reviewed and more recent studies have also noted the importance of environmental features.

Frederick and Luery (1987) concluded that environmental factors such as facilities were the most important cues to consumers judging restaurant quality. In a study by Crane and Clarke (1988), respondents who were asked to list the cues used to assess the nature and scope of four service providers, indicated that the physical facilities were of one type. Ward *et al.* (1992) argued that the interior environment would be important for customer satisfaction as well as the repeat purchase in a competitive business like fast food. Bitner (1991) showed that the appearance of the physical facilities could affect consumer beliefs regarding the causes of service failure and success in retailing environment. Jhons and Howard (1998) stated that an interesting source of ambiguity during the coding exercise was that items could act as icons or signs. Johnson and Mathews (1997) suggested that the physical service factor was significant in explaining dining satisfaction.

Lastly, we should point out the Soriano's (2002, p.1065) conclusions that, ''the future of restaurants is closely related to experiences like the need to have a special place to cater for customers who bring small children, like the case of the nursery, personalized treatment, like birthday greetings, or the creation of Web sites where the restaurant and its product can be located''.

10.6.5. Place to be

The fifth factor of store image scale is the pleasantness of eating (or place to be) at a fast food restaurant. The factor has Cronbach (a) reliabilities of 0.7 and 0.6 for Goody's and Mc Donald's respectively. This factor consists of two measures: a) the place has fun and b) it is fun to eat at Goody's-Mc Donald's.

Pleasantness of eating at a fast food restaurant has found to be one of the most important factor in predicting store image, customer satisfaction and loyalty in this research. Using the data derived from focus group, this factor has been indicated by participants as crucial for store image formation. Participants defined pleasantness of eating in three dimensions 'Safe place', 'décor' and 'social factor'. Consumers especially teenagers and women need a safe place to go out, to drink a coffee or have a quick meal and at the same time to meet a friend there. "Fast food restaurants can be the best place to meet a friend". Moreover, focus group participants consider fast food restaurant as a place for fun.

The results suggest that although quality of food and beverage, promotion programs and service/physical attributes are all important factors in selecting a restaurant, the public now wants more than product service from dining out, it also wants leisure fulfillment. Today's restaurant consumer is willing to spend money on quality, but many expect something more than food. Results showed that the 'Place to be factor' is strongly correlated with 'Adaptation to Locality', 'Sales incentive program' and 'Food quality' factors for both cases. Also, the results showed that the 'Place to be' factor is an important factor for image formation and a good prediction for gaining customer satisfaction and loyalty.

This conclusion is in good agreement with previous research such as that of Johnston (1995) who argued that restaurant service is mainly perceived in terms of the pleasure and entertainment value of the dining experience. Nowadays, consumers want to go to a place not only to eat but also to have some fun at the same time. Consumers are not looking for the service only, but for the experience of eating (Jhons and Pine, 2002). The growth of theme restaurants is explained by dinners looking for a pervasive atmosphere than simply a good or different meal (Auty, 1992). For many customers the role of a restaurant is to titillate or surprise (Jhons and Howard, 1998).

As fast food chains have positioned themselves as a safe and sanctioned outlet for young children, fast food restaurants need to offer a fun experience to young patrons. Although, fast food directed its earliest advertising at parents through focused images of the restaurants' cleanliness, convenience and value, it simultaneously equated fast food with place for fun. Ward *et al.* (1980), in their study on children's advertising and children's consumer patterns, cited 'fun' as the primary advertising lure to encourage fast food loyalty and Soriano (2002) reports that the quality of food did not stand out as the most important reason for customers less than 18 years of age.

Fast food restaurants do not promote only hamburger but friendship, fun and a sense of the magical psychological needs that have little to do with purchasing and eating a hamburger. Even preteens were told that fast food is "the" place to go after school, to meet friends, to giggle over growing up, or to be popular. Fast food restaurants are trying to sell happiness through selling hamburgers. Fast food combined the image of security and wholesomeness into the experience of eating a rushed meal surrounded by restless youngsters (Toerpe, 1994). Fast food chains encourage family eating out on a daily or weekly basis making fast food a normal routine rather than occasional treat.

According to focus group participants, two important elements influence 'pleasant eating', the shopping environment and the décor of the store. The shopping environment factor has been found as one of the most important factors for determining consumer choice (Dickson and Albaum, 1977). There is much emphasis upon the design and atmosphere of the store in order to achieve leisure fulfilment to the customer. Presumably, pleasure dining increases as service, atmosphere and quality of food increase (Sun, 1995).

Store environment has been found to be one of the several inputs into the consumer's global store image, or overall attitude toward the store (Zimmer and Golden, 1988; Darden *et al.* 1983; Lindquist 1974). Bitner (1990) proposes that cues from the physical environment are instrumental in communicating the firm's purpose and image to customers. A key role that store environment plays is to provide informational cues to customers about merchandise and service quality (Gardner and Siomkos, 1985). Fredericks and Luery (1987) concluded that environmental factors were the most important cues to consumers judging restaurant quality. The restaurateur has long accepted atmosphere as a feature of dining out equal in importance and sometimes more important than the food itself (Auty, 1992). Reiter (1996), an industrial sociologist, who conducted a case study of working in a Burger

King franchise in Canada, observed that Burger King attempts to use external restaurant atmosphere to signal dining quality. According to Reiter (1996, p. 82): "This company is convinced that if customers see a clean lot, well-maintained landscape and building, and sparkling glass, they will have a positive mental image of the food and service".

In 1990, Dixon (1990) predicted that décor and atmosphere would become as important as the fast food package itself. Davies and Brooks (1989) and Belman (1996) argued that interior and exterior design is one of the most successful methods of image formation. Mc Goldrick (1990) noted that from the early 1980's considerable emphasis has been placed upon store design, which has been used as a powerful weapon in the quest to achieve image differentiation.

Overall, the restaurant environment exerts an influence on customer behaviour at several different levels. At each of these levels, the decision taken will influence the cues being sent out to customers, who will then use these to contribute to forming an image of a particular company (Nguyen, 1995).

Also, the results suggest that when people think of fast food restaurants, they draw heavily on images of the firm's environment.

The image of fun based on decor and environmental cues is just one critical component to Fast food restaurants marketing. The other factor according to focus group is the social factor.

The social factor involves the people who are within a store's environment. Russel and Snodgrass (1987) noted that the physical presence of another person is an important part of any environment. The number, type, and behaviour of other customers in the environment are elements of the social factor. As argued by Sun (1995) interaction with other people has a significant impact on consumer satisfaction.

Lunberg (1985) suggested that people go to restaurants to satisfy not only hunger but also self-esteem, self-respect, self-confidence and prestige needs. Auty (1992) suggested that people go to restaurants for social reasons and every element of the operation enhances that social motive. Moreover, she argued that consumers show a tendency to eat in a fast food restaurant for social reasons. So consumers select a restaurant in order to meet social needs.

At the same time, customers tend to select a restaurant, which they think is "right for them". Martineau (1958) argued that shoppers seek stores whose image is congruent with their own self-image. So, he explained patronage by arguing that certain types of customer will visit frequently the restaurants they see, as being for them.

The discussion of self-image and store image congruity has been discussed in work by Sirgy and Samli (1985). They put forth the notion that store loyalty is influenced by store image. Store image evaluation in turn, is influenced by self-image /store image congruity. They provided evidences that store image evaluation is significantly influenced by ideal social congruity (the degree of match between the symbolic store image and ideal social self-image along one or more image dimensions).

Wang Chunben (1992) investigated the relationship between personal values, self-concept and consumer satisfaction. He concluded that the relationship between store image, self-concept and personal values influence customer purchasing decisions (loyalty) and it is also important to customer satisfaction.

Because much modern fast food consumption involves having customers on site in fast food restaurants, other customers are an important factor in image formation. Customer control strategies, such as circulating front-of-house managers and designated eating areas are therefore employed. Large windows, making it easy for potential customers to see in and assess the restaurant on the basis of who is already there, are a feature of most modern fast food concepts.

To sum up, the restaurateur should project the image of the restaurant to the customer, by combining product/service and leisure benefits to make the establishments more attractive than those competitors which promote a similar type of product/service.

Results from previous research (Baker *et al.* 1994) showed that ambient and social elements in store environments provide cues that consumers use for their quality inferences. In the present research, results confirm the aforementioned notion. Environmental and social cues describe one of the six derived factors (place for fun) to predict store image and customer satisfaction and loyalty.

10.6.6 Sales incentive program

The final factor is represented by two measures concerning the promotion tools employed by the fast food companies inside the store in order to increase sales and frequency of visits. In this case, the factor is referred to as **SALES INCENTIVE PROGRAM.** Sales incentive program factor consists of two measures a) Goody's-Mc Donald's offers nice toys for kids b) Goody's-Mc Donald's has attractive in-store competitions.

Consumers participated in the focus group interviews revealed that occasional competitions attracted them to visit a fast food restaurant, as they believe that competitions have fun (as it is connected with the factor "place for fun"), and sometimes they provided interesting offers. On the other hand, the 'kid' special meal offered by the fast food restaurants is the main reason for the great majority of parents and children to go and eat at a fast food restaurant. They believe that kids meals create a differential advantage for fast food and it is influential in image construction. In addition, they think that toys create loyalty especially among the children market.

The 'Sales incentive' factor has been found to correlate to the 'Adaptation to Locality' and 'Place to be' factors suggesting that sales incentive program is just part of the 'fun' and the special character of the store. In contrast, it has only a small impact on gaining customer satisfaction and loyalty (in the second case is much more effective than service).

One aspect of the firm's communication strategy that provides both long-term strategic advantages as well as shorter-term tactical flexibility, is sales promotion. (Smith and Sinha, 2000). Sales promotions are influential in image construction. The retailer's key objective in offering promotion is to influence consumers' buying behaviour (Gupta and Cooper, 1992). Sirohi *et al.* (1998) suggested that factors included in a sales incentive program may influence purchase decisions even in the case that customers are already satisfied with their currently consumed brand. Within the fast food industry, sales promotion is frequently used to generate customer loyalty, particularly among children and teenagers. It is assumed that fast food restaurants rely on various types of sales promotion to affect consumers' perceptions of deal value with the intention of creating the short-term differentiation necessary to attract the consumer to the chain's restaurant versus a competitor's restaurant.

Competitions are one type of sale promotion used by fast food restaurants. Fast food restaurants use competitions to increase the frequency of visits on the one hand and to attract first time customers on the other.

Fast food restaurant's most obvious premium gimmick is the 'Happy Meal' targeted at children aged two to nine and billed as 'Food and Fun in a Box'. Happy meal was first introduced in 1979 (Toerpe, 1994). These meals involve a fixed price, depending on which type of the main item is chosen, to cover fries, soft drink, a main item and a plastic toy or novelty. Usually the fixed price is fifty to sixty pence higher than the price of the individual menu component.

Fast food restaurateurs were concerned initially that premiums would dilute fast food quality image. Later, they changed their minds and now they offer an endless series of premiums in its happy meals product. Fast food restaurants patterned characters from popular TV series realizing that a smiling face and a cheery disposition would result in happy children and a profitable corporation. Nowadays, it is usual for these children's meals to be merchandised with TV or film characters with particular popular appeal (West, 1992).

Both fast food chains in Greece extensively rely upon special meals as a marketing tool. They promote special children's meals known as happy meals and usually offer a plastic toy or novelty to children. Fast food restaurants offered children a host of product-based and character-related premiums to further entice children to choose them. A premium is a reward for buying a product they normally would not purchase.

Fast food restaurants are committed to target and encourage child consumer behaviour in children as young as two years old. While many major toy manufacturers offered toddler or preschool lines of products, the items were primarily marketed to parents and grandparents, not the youngsters themselves.

However, fast food restaurants targeted an unprecedently young audience for its products. It is noteworthy that while their competitors were looking to the demographically strong adult market to sustain corporate growth, fast food focused on the exact opposite end of the spectrum, consciously educating two-year-olds in consumerism and creating for themselves, a new generation of hungry fast food customers.

As a result, children are the fast food sector's prime target market. Children constitute a significant consumer niche in three ways. First, they directly purchase items themselves, a function that increases as the children mature. Second, they influence parental purchases, either through active requests or by their natural liking or disliking of certain products. The fast food marketing message reaches children at all three levels. Fast food industry has realized that children and teens hold the key to achieve their goals. By appealing to the upcoming generations of children and teens, rather than to the other age segments then distinguish them from competitors and tighten their hold on the children's consumer market. More importantly, however, children eventually mature into fully-fledged consumers whose brand loyalties, continue into adulthood. This is called the Vintage Effect (Ritchon, 1996). So, it will be a mistake for a marketer to ignore the children's market.

On the other hand, there are some drawbacks on sales incentive programs. Sometimes, sales promotion shift attention away from the product on to secondary factors. Consumers may be attracted by calendars, competitions sweepstakes. In the short run, this generates consumer enthusiasm. In the long run, they may have an adverse effect on a brand's image and on sales, because a product related differentiated advantage has not been developed. Additionally, consumers may view competitions as representing a decline in product quality.

Reichheld (1996) argued that marketing tools such as coupons, competitions and promotions are not only minimally effective, but also attract the wrong customers by adverse selection. Continuous sales promotions may cause problems for image.

Consumers may view competitions and in-store offerings to represent a decline in product quality and a belief that an outlet could not sell its offerings without them.

10.6.7 Price

In almost all previous store image studies, price factor is present. However, in the present study, no price or value for money factor has been emerged. It is suggested that this may have happened for two reasons. Firstly, according to the focus group discussions, local consumers are not price sensitive when they buy food and secondly prices charged in fast food restaurants are considered reasonable and consumers pay almost the same everywhere.

Mersha and Aldahka (1992) found in their study that, generally, fast food restaurants services were not considered as expensive. Consumers are willing to pay a premium for better quality food products. So, they do not form their attitudes towards a fast food restaurants based on price cuts. Moreover, Zeithlam (1987) argues that price is not a quality attribute.

Pavesic (1989, p.45) introduces the familiar distinction between eating out and dining out. He writes: "customers will evaluate a restaurant as a place to dine-out. If a restaurant is considered an eat-out operation during the week (a substitute for cooking at home) customers will be more price conscious. If a restaurant is considered a dine-out operation, the visit is regarded more as a social occasion or entertainment and price is not as much a factor. Sirohi *et al.* (1998) concluded that price generally does not play an important role in customers' perceptions of merchandise quality, especially when other cues are readily available to consumers.

Price deals may take two forms: a) the use of coupons with which consumers gain price reduction by redeeming the coupon, b) a straight price reduction in the price itself (Krishnamurti *et al.* 1992) whereas, value, can be defined in terms of obtaining a "hassle free" convenient and inexpensive dining experience (Iwamuro, 1992).

Some consumers may feel ambivalent toward coupons experiencing, a still unresolved feeling versus hassle (negative enjoyment) (Mittal, 1994). Consumers also view price wars and discounts as representing a decline in product quality and believe that an outlet could not sell its offering without them.

Furthermore, price promotions and coupons attract the wrong customer. Especially in the local fast food market, consumers think that the price sensitive customers are not matching to their self-esteem. Their self-esteem is not congruent with them. So people do not want to be in a place where people with different self-esteem are going. As Russell and Snodgrass (1987) noted, the physical presence of another person is an important part of any environment. Because much modern fast food consumption involves having a customer on site in fast food restaurants, other customers are an important factor of image formation.

However, the price factor has not been included in the formation of store image scale as the consumers do not consider it as an important one.

10.6.8 Tangibles - Intangibles

The image of a restaurant invariably consists of both positive and negative perceptions of different attributes. The number of dimensions is uncertain. An image is made up of many different things, some measurable, some not measurable, some significant, some insignificant, some changeable some unchangeable (May, 1974-75). Martineau (1958) and Chennedy (1977) argued that image has two principal components, functional and emotional. The functional component is related to tangible characteristics that can be easily measured, while the emotional component is associated with psychological dimensions that are manifested by feelings and attitudes towards a company. Oxenfeldt (1974-75) proposed a classification of store image into tangible reality factors and intangible factors. Pessemier (1980) defined store image as: "The way in which a store is defined in a shopper's mind partly by its functional qualities and partly by an aura of psychological attributes".

Also, a number of authors have used both functional and psychological factors in their studies (Dearden, 1997; Chui, 1995; Sun 1995; Wang, 1990; Mazursky *et al.* 1986; Gronroos, 1984).

There is a different balance of tangible and intangible factors across store image scales in various store types. One possible difference may be the proportion of tangibles to intangibles in the service bundle. Where there is a very significant tangible component, it may be relatively easy for customers to distinguish tangibles from other components of the service. This is particularly likely in foodservice, where 'food' and 'service' are frequently articulated by both the restaurateurs and the customers, as separate components of the service bundle (Johns and Howard, 1998).

Another possible source of difference is the nature of the need, which the service satisfies. Every service satisfies a range of needs, but the core services offered by restaurant, hotels and hospitals seem to come closer to fulfilling basic human needs such as hunger, shelter and care than these of say a bank.

Fast food restaurants are part of the service industry. As such, they offer intangible products with tangible trappings. Restaurant services are produced, sold and consumed simultaneously and are paid for after they are performed. Campell-Smith's (1967) seminal work suggested that meal is the total package of experiences encountered in the restaurant environment. So, the store image scale of fast food restaurant should carry both tangible and intangible attributes.

In the present research, the derived store image scale contain both tangible and intangible factors. The proportion of tangibles versus intangibles is in line with the past researches (almost half factors tangible).

The tangible factors are: a) Food and beverage quality, b) Facilities, and c) Promotion. Intangible factors are: a) Adaptation to Locality, b) Place for fun, and c) Service.

It is hard to say which factors are most important. Empirical support exists for the contention that store image attribute importances vary across store type (Amirani and Gates, 1993). Clarke and Wood (1992) support the hypothesis that tangible rather than intangible factors are more significant in gaining customer loyalty in a restaurant environment. At the same time, they reported that "From a purely instrumental point of view, the contention that tangible rather than intangible facts may be worthy of investigation, as being of greater importance than has hitherto been thought is, academically at least, controversial". Becker and Murmann (1999) argued that tangible components are less of a priority for customer assessment of quality than are less tangible components.

Research results showed that the importance of tangibles in general is lesser than the importance of intangible factors. Most important factors are Adaptation to Locality, Food and Service offered by the fast food restaurant. Even in a place like a fast food restaurant where the food is the core product, consumers tend to consider values such as friendliness of the staff, adaptation of food, service and atmosphere to the Local culture and the psychological fulfilment of fun as the most important reasons for satisfaction and patronage.

Consumers consider the fast food restaurant as a place to dine out and not just to eat out. That is why they pay considerable attention to the intangible factors of the fast food meal experience. However, there is a need to further explore the relationships between the relative roles of "tangible" and "intangible" elements in the meal experience in a fast food restaurant. The knowledge of the relative importance of the image dimensions (tangibles versus intangibles) can be a valuable input to marketing manager of the fast food restaurant chains.

10.7 Satisfaction and loyalty relationship

The relationship between customer store image, satisfaction and loyalty has also been explored. Specifically, the second conceptual issue investigated concerned the mediating role of customer satisfaction on the effect of store image on loyalty measures. A strong mediating role was found, confirming that it is important to measure customer satisfaction when trying to determine customer evaluation of the store image and to predict consumer behaviour. The findings support the conceptual framework suggested by the literature review and focus group research.

To test the relationship between store image measures with satisfaction as well as, with loyalty, a canonical correlation analysis was conducted. The results showed that there is a significant relationship between store image measures and satisfaction. Canonical correlation was also applied to store image and loyalty measures. Again, the significant relationship between the two set of measures was confirmed.

Since a significant relationship between store image measures, satisfaction and store loyalty measures exist, it was attempted to obtain a better understanding of the relationship between perceived store image and store loyalty. Customers' patronage behaviour towards a particular store is dependent on their image of that particular store (Osman, 1993). The more favorable the store image, the higher the valence of the store to the customer. However, the exact relationship between store image and store loyalty has remained inconclusive (Bloemer and Ruyter, 1998). There is both evidence for a direct relationship and an indirect relationship whereby store satisfaction acts as a mediator (Doyle and Fenwick, 1974; Houston and Nevin, 1981; Lindquist, 1974; Stanley and Sewall, 1976).

The next step in the research procedure was the exploration of the nature of the relationship between store image and customer satisfaction and loyalty. So, the following hypotheses had to be tested.

H4: Store image has a direct positive effect on store Loyalty.

H5: Store image has an indirect positive effect on store Loyalty through store satisfaction (mediator effect).

In order to test the above hypotheses, a structural equation modeling method was employed.

The results from testing H4 gave a well-fitting model, which further confirmed the strong relationship between store image and loyalty. The effects of store image dimensions to loyalty measures were significant and the standardized showed the effect of each dimension to consumer loyalty.

When satisfaction was included in the model, the effect of store image to loyalty was reduced and the results showed that a significant relationship between store image and satisfaction exists. Moreover, the path coefficient between satisfaction and loyalty was significant. The standardized value was 0.473 suggesting that there is a strong relationship between satisfaction and loyalty and that satisfaction strongly affects loyalty.

The results confirmed the hypothesis that store image dimensions affect loyalty both direct and indirect through satisfaction. Satisfaction was found to be the mediator of store image dimensions and customer loyalty measures.

During the past decades, customer satisfaction has frequently been advanced to account for customer loyalty (Kivella *et al.* 2000; Ruyter and Bloemer, 1999; Oliver, 1996; Anderson and Fornell, 1994; Dick and Basu, 1994; Anderson and Sullivan, 1993; Biong, 1993; Osman, 1993; Selnes, 1993; Cronin and Taylor, 1992; Fornell, 1992; Bolton and Drew, 1991; Bitner, 1990;, Mazursky and Jakoby, 1986; Bearden and Teel, 1983; Oliver, 1981; Bearden *et al.* 1980; Newman and Werdel, 1973). Pettijhon *et al.* (1997) argued that customer satisfaction significant affected loyalty measures.

Both theoretical and empirical studies support this finding. A high level of satisfaction will increase customer loyalty. In the study of Hunt (1983), the satisfaction measure was used as a synonym to the loyalty measure.

Moreover, the role of satisfaction in mediating and predicting consumer loyalty and behaviour has also been proved (Dabholkar *et al.* 2000, Dabholkar and Thorpe, 1994; Selnes, 1993; La Barbera and Mazursky 1983).

The mediating role of customer satisfaction is more natural on the way people make evaluations. Evaluating the factors to judge store image, deciding if one is satisfied, and then making a decision about patronizing and recommending the service in the future, is a logical sequence for a large number of services (Dabholkar, 1995).

A conclusion which could be drawn from the results of this study, is that satisfaction and loyalty are influenced by the components of store image in different ways. Thus, they seem to be concepts with a different content. Satisfied customers may not be sufficient to create loyal customers. Satisfaction can be one determinant of loyalty.

As suggested by Zahorik and Rust (1992), there is clearly a need for more quantitatively driven empirical research in the area of specific, implementable recommendations for managers. As firms begin to measure both customer satisfaction and customer loyalty more completely, specific actions can be recommended that will optimize a manager's investment in improved service.

To sum up, our findings strongly support the role of satisfaction in mediating store image measures and loyalty measures. The results of this study add to the extant literature by suggesting that in the context of fast food restaurant there is a significant relationship between store image satisfaction and loyalty and the relationship between store image and consumer loyalty is mediated by satisfaction.

10.8 Final comments

The scale can be used by researchers to help them better understand market and consumer behaviour as well as, individual consumer differences and to explore the attitudes towards the stores of specific market segments. The verification of the scale structure, using a different sample also can be a challenge for them.

Moreover, the method of scale development and validation could be a base for comparison to future scale development research in the context under investigation. To our knowledge, no one has yet attempted to assess empirically store image dimensions in the context of fast food restaurants in Greece. However, similar principles also apply to a wide range of contexts, and it is likely that the present work will extend its appeal beyond the foodservice industry to other sectors.

This view of store image has benefits for practitioners as well. Marketers could simply measure the evaluation of store image dimensions and will find it easier to do so regularly than to measure all the items related to the store attributes each time. Another advantage of using the model is that measures of satisfaction and loyalty can provide better feedback to managers regarding the image of the store.

Although the structure of the scale was found to be consistent with previous research and theoretical propositions, there is also a need to further test the dimensions developed in this study and in particular the cultural factor emerged from this study as it is strongly related to the special food culture of the Local consumer.

Researchers often failed to re-evaluate and report acceptable estimates of reliability and construct validity in replication of the studies. Thus, two important findings from the scale development and verification processes are pertaining to the stability of internal consistency estimates and the composition of the scale.

The findings of this study suggest that the composition of the six store image dimensions remained almost stable between the first and the second stage of the purification process. The alpha coefficient remained the same or improved. Indeed the second stage instrument purification analysis yielded a more refined and conceptually stronger structure.

Another strength of the scale is its wide applicability in the restaurant industry setting. The data used to develop and refine the instrument were collected from fast food consumers who in their great majority visit all kinds of restaurant settings. Thus, the two stage instrument development and the iterative processes applied within each of the two stages resulted in the retention of items that are meaningful to a variety of consumers markets.

The generizability of these findings to other types of store settings has yet to be established. However, the empirical results and the large representative sample that provided the data for the development of the scale would strongly support its use in their present form, when the objective is to assess or compare store image. On the other hand, appropriate adaptation of the scale may be desirable when a specific market is investigated, as these elements are relatively easy and inexpensive for managers to test and change within their own stores.

10.9 Epilogue

In the present chapter, a discussion of the findings has been presented. The findings are of great importance since marketing managers can employ them to improve company's performance on the concepts under investigation. The results would be useful to academics as they contribute to the literature. In the next chapter the marketing implications alongside with academic contribution of the study will be presented. Moreover, the limitations of the present research as well as proposals for further research will be discussed.

CHAPTER 11

Marketing Implications

11. 1 Introduction

The present study has several implications for management. The conceptualisation of store image and its determinants can offer managerial guidelines for successful marketing implementations. The strategic role of store image in creating loyalty is important for the fast food industry and opportunities for marketing mix developments can be based on the results of the study.

Nowadays, the business environment is becoming increasingly hostile and unforgiving. Intense competition from both domestic and foreign companies, coupled with an increasing awareness of consumer rights, has led to greater expectations and demands by customers (Selnes, 1993). Therefore, for competitive survival, companies are focusing on areas in their operations that might give them an edge over their competitors. Companies must be customer oriented. After all, the underpinning of the marketing concept is that the identification and satisfaction of consumer needs leads to improved customer retention (Day, 1994).

The marketing concept implies that an objective of marketing strategy is to be "market driven to meet customer needs" and competitive advantage arises from those who meet customer needs best. However, this study implies that preferences are a moving target, so that simply responding to customer preferences is not enough any more. Instead, shaping consumer tastes and creating competitive advantage may be a central objective of marketing strategy. Carpenter and Nakamoto (1994) argued that, competition might be a race to define consumer tastes, and competitive advantage.

Store managers continuously test new strategies and tactics that will provide them with a long or short-term competitive edge (Smith and Sinha, 2000). The management of a fast food restaurant appears to have two options: first, to encourage store loyalty, so that customer stays away from the competition. A second option would be to differentiate the marketing mix elements to influence store image perceptions (Jhonson and Mathews, 1997). Store loyalty management means store satisfaction management. Store loyalty is built through store satisfaction and that satisfaction is built by store image. Truly loyal customers are manifestly satisfied with the store and have a positive image towards the store.

So, retailers must not simply differentiate themselves from their competitors, but they must also be engaged in activities, which bind their customers to them, through the creation of a differential advantage. In order to differentiate themselves and create the competitive advantage, managers should pay attention to the 'generic' attributes of image as well as to the unique features of the particular service. In the next paragraphs, the marketing mix developments based on survey results will be discussed.

11.2 Marketing mix

11.2.1 Culture

The present study implies that fast-food marketers need to be more aware of different customer expectations and perceptions that were observed in the area of northern Greece. The most important factor for the formation of store image has been identified as the cultural-related factor of 'Adaptation to Locality'. The burger fast food restaurants chains that operate in the area of Thessaloniki Greece need to understand how this factor is perceived and evaluated by consumers in the context of restaurants and then to modify their marketing mix offer.

Consumer attitudes are the outcome of the cultural and social environment. The way that consumers originated in northern Greece perceive fast-food restaurants may not be the same as to that of other Greeks or foreign customers. The assessment and understanding of the needs of local consumers could be used as a tool to adapt the marketing approach where needed. Awareness of local food preferences and sensitivity to local culture can be a critical success factor for fast food restaurants.

Culture precedes marketing mix customisation and standardization (Roth and Romeo, 1992). The answer on the theoretical question of standardization versus customisation to the local fast food market is clear. Consumers in specific geographic areas consider food as a part of their local culture. The emphasis of cultural sensitivity has typically been directed toward product specifications (Becker and Murmann, 1999). However, in the present study, there was a strong correlation between the culture factor and all the other factors. As a result, marketing objectives should go beyond product offering and product modifications. Marketing managers need to modify their marketing mix in order to meet the particularities of local markets.

Food products are sometimes associated with strong cultural habits. So, chains may have to adapt their menus and services by including local food items or traditions. Soriano (2002) recommended the diversification of a restaurant's products and the inclusion of some regional specialties in the restaurant menu. Menu differentiation on the basis of local dishes would be a part of a strategy for the chains to gain a competitive advantage. Both chains have now modified their menus in order to satisfy local tastes. Goody's has introduced Mediterranean plates whereas Mc Donald's introduced a Greek Mc menu aiming to provide menus with a strong local identity.

11.2.2 Food quality

Johns (1999) divided the meal experience into 'quality areas' over which managers can have direct control (e.g. the food, the physical environment and the behaviour of service staff). Food quality has been identified, as a critical factor for store image formation and for fast food restaurant's consumer satisfaction. Today's restaurant consumer is willing to spend money on quality. The competition should be focused on the quality of food provided in the fast food restaurants. Restaurants must offer quality food to attract and retain customers.

Customers enter a fast food restaurant on the basis of expectation about the food or service provided. Oliver (1980) suggested that dissatisfaction might result not because the food or service was poor but only because it was not the type that the consumer was seeking or prepared for at the moment. So, the quality of food offered in fast food restaurants should be consistent.

Finally, as healthy eating has been one of the most significant trends (Morgan and Rao, 2000), fast food industry must continue to recognize not only the importance of offering quality and tasty food items but products with a healthy image as well.

11.2.3 Service

While 'adaptation to locality' and 'food quality' appear to be the most important variables of restaurant image formation, service and facilities are critical in the final choice between restaurants serving a similar type and quality of food.

First of all, service should be adapted to the local needs. The provision of cutlery for example is a sign of adaptation strategy. To gain a competitive advantage in today's market, restaurants must offer quality service. The delivery of high levels of service has been a key area, for business success (Mehtra *et al.* 2000). This is of critical importance in the fast food industry as the service delivery process in all fast-food restaurant chains is fairly standardised, and the service of one fast food restaurant may easily influence the expectations of all others.

Also, fast food industry must understand that front line employees are ultimately the key to successful provision of service. Their attention to service quality will result in a higher level of perceived service quality. This will create loyal customers who will use the firm again and again and will sign the firm's praises to others.

Lastly, we should point out that the future of (fast food) restaurants is closely related to experiences like the need to have a special place to cater for customers who bring small children (e.g. kindergartens), like the case of the nursery, and personalized treatment (Soriano, 2002). Provision of facilities should focus on the special needs of each consumer segment, giving a sign that company understands its customers.

11.2.4 Place to Be

The physical environment of the stores may assume a strategic role in the marketing and management of fast food restaurants. The ability of the physical environment to influence behaviours and to create an image is particularly apparent for service businesses such as hotels, restaurants, professional offices, banks, retail stores, and hospitals. Retailers and academics seem to recognize the importance of store's environment (Ward *et al.* 1992). Research findings suggest that the physical setting may also influence the customer's ultimate satisfaction with the service (Bitner, 1992). So, managers should pay attention to the environment and atmosphere of the stores.

Design also plays a very direct role in affecting customer's behaviour but, whatever the motives, the use of design is unlikely to prove a major success factor in image creation, unless it is integrated with menu policy, pricing advertising and all other elements of the strategic marketing mix (McGoldrick, 1990). The apparently weak impact of design factor facilities on customer store image inferences suggests that managers can shape store image regardless of a store's current layout and architecture.

Although quality of food and beverage, price/quantity and service/physical attributes are all important factors in selecting a restaurant, the public now wants more than product/service from dining out, it also wants leisure fulfillment. Today's restaurant consumer is willing to spend money on quality, but many expect something more than food. Restaurant eating is seen as being more a leisure activity than a need to feed oneself (Soriano, 2002). Lunberg (1985) suggested that people go to restaurants not only to satisfy hunger but self-esteem, self-respect, self-confidence and prestige needs. The restaurateurs should project the image of the restaurant to the customer by combining product/service and leisure benefits to make the establishment more attractive than those competitors promoting a similar type of product/service.

Moreover, for many customers, the role of a restaurant is to titillate or surprise (Johns and Howard, 1998). So, fast food restaurants should not promote only hamburgers but friendship, fun and a sense of the magical psychological needs that have little to do with purchasing and eating a hamburger. However, fast food restaurants are not alone in forsaking the marketing message for the marketing form, that is, for trying to sell happiness instead of hamburgers.

Furthermore, fast food chains should promote themselves as "the" place to go after school, to meet friends, to discuss there and finally as a place that "everything can happen". For example, an Internet activity inside the restaurants would be a good idea to attract new customers.

11.2.5 Sales incentive program

According to focus group research, advertising is central to the development of images for consumer products instead of being a factor of store image. The results of the quantitative research further confirmed this hypothesis. Advertising of fast food restaurants is product oriented in order to build awareness of production methods and cooking of menu items. In the researcher's view, advertising should be used to position strategically fast food offering, rather than to publicize price promotions and competitions.

Advertising and public relations can be used as tools to promote specific factors of store image especially the important ones. In order to gain a competitive advantage, fast food chains should advertise the advantages of eating there while emphasising, at the same time, some aspects of the local character of the chain. Moreover, a good way of advertising is to connote children's needs with TV or film characters such as Harry Potter and Walt Disney characters.

Public relations is another communication function concerned with the presentation of fast-food companies to the public. Public relations activity is a key factor in fast food image management both in constructing and protecting image.

Children special menus (happy meal) should be offered by the chains and new concepts to further strengthen children's loyalty should be developed. Finally, competitions could be a part of the fun offered in the store, as they can be used to surprise and attract consumers to the store.

11.3 Conclusions

No, single factor stands out as being the determinant for loyalty because loyalty is indicated to be the result of the interplay within a set of factors. So, keeping eyes on the customer can be the single focus for successful marketing implementation. In the past, the focus was either on serving the customer, or satisfying the customer. Nowadays, the goal should be to exceed customer expectations, build sales and profits, widening the gap in differentiating stores from the competition and setting new benchmarks for the entire fast food industry. Indeed companies must be customer satisfaction driven.

So far, no single company has put all the pieces of the customer loyalty model together. Instead of trying to be all things to all customers at all times, the restaurant manager can select segments in terms of setting and planning a restaurant experience specific to this segment. Offering unexpected benefits from both product service and leisure aspects to satisfy customers is a great challenge for restaurant operators (Sun, 1995) that helps them to create a distinctive and unique character as well as, to position stores in the competitive environment.

However, the determinance model of decision making suggests that a variable of relatively minor importance will become the deciding 'straw' (Auty, 1992). The determinance model recognizes that knowing the importance of an attribute is not usually enough to predict choice because there are several competitors who offer equally adequate products with regard to the most important attributes. It is the importance of an attribute coupled with the perceived difference in an attribute with minor importance that determine choice criteria and provide the basis for choice prediction. Meaningless differentiation can continue to be successful, even if buyers acknowledge that the differentiating attribute is irrelevant (Carpenter and Nakamoto, 1994). In this view the distinctive image of a store can be based on attributes other than the dimensions derived and the manager should pay attention to those attributes that help them to differentiate the offer mix and build a competitive advantage.

11.4 Pioneer advantage

Barnes and Cumby (1995 p.184) argued that for some services (e.g fast food restaurants), switching costs are low for the mass or "anonymous" customers, as a result of the fact that there are ample suppliers and the "inherent inability to differentiate on some valuation criterion''.

So, companies need to differentiate on a (important or not) valuation criterion. The unique differentiation of the store chain can be proved very useful as it provides chain with a pioneer advantage. Pioneer advantage is realized only if the first mover succeeds in framing consumer's preferences as described previously. If the pioneer fails to create this advantage, as apparently can be the case, the advantage associated with pioneering can accrue to a later entrant that shapes consumer tastes and achieves exceptional perceptual prominence. This can have a dramatic effect on competition and be a valuable competitive advantage.

The pioneer's competitive advantage arises from its position near the ideal point and its prototypicality. Cadotte *et al.* (1987) suggested that consumers are likely to rely on standards that reflect the performance a consumer believes a focal brand should provide to meet needs and wants. For example, when evaluating the dining experience in a new restaurant, a consumer may apply a norm that it is typical performance of another, favorite restaurant. In addition, Keaveney and Hunt (1992) supported that consumers make inferences about other stores based on what they know about other stores so far. Manolis *et al.* (1993) noted that customers evaluate stores in comparison to exemplars or prototypes.

Moreover, Muller (1999) suggested that the future belongs to the creators of restaurant brands because they will become the beneficiaries of disproportionate consumer loyalty and increased frequency. He further argued that "branded restaurants can become price setters, not price takers, can become uniquely differentiated in the midst of other easily substituted competitors, and can be seen as innovative category leaders in an industry cluttered by over capacity and rampant discounting". So, a competitive advantage based on store image derived dimension should guide marketing managers in the development of marketing mix elements.

11.5 Epilogue

The results suggest that the major dimensions underlying store image are not consistent across different markets and across different consumer segments. A marketing manager should determine what the major dimensions are within each market the store is operating. Knowledge of the major dimensions in a market can serve as a basis to marketing mix development. To sum up, especially in the restaurant industry (Rosen and Karma, 1994), the dimension knowing and understanding the customer would be the primary guide for store image and marketing mix developments.

11.6 Further research

The dissertation was a first attempt to investigate purchasing behaviour for the fast food consumer in Greece. Further research undertaken either by academics or indeed by the fast food industry may further enlighten aspects of purchasing behaviour.

The survey tool can be used periodically to track restaurant dining expectations and determine the relative importance of different factors in influencing overall dining satisfaction. It can also be used to assess performance relative to its principal competitors or used by restaurant chains to track the level of service provided by each restaurant. So, on-going measures of store image are recommended to keep in touch with customers' evaluation. Also, a longitudinal study that measures image at pre-consumption, consumption and post consumption stages, which compare consumer's evaluations, would be an interesting research topic.

The present research was exploratory in nature. More research is needed to verify the results. In light of the findings from this study, future research should be carried out to further explore store image formation.

Because the study was conducted within a single-service context, validation of the findings in other contexts will require further research. Investigating more service settings would give a richer understanding and achieve greater generizability for the findings obtained. Moreover, replication of the study with larger sample sizes and different sample frames is suggested.

Also, the replication of the study in other Mediterranean countries where food is an important part of the culture is suggested. A comparative study can be conducted in order to examine the effects of culture in each country or geographical area.

The image dimension can be used to predict performance. With the increasing availability of scanning data, an issue for future research could be used to validate the measurements of attitudes by relating them to market performance and market share. Further research should try to include measures of actual behaviour.

Looking at demographics, the researcher should try to segment the market. Personality, lifestyle and values can be also, valuable bases for segmentation. Furthermore, benefit segmentation could help researchers and practitioners to understand the market. Due to the ethnically diverse population, comparative research in ethnicity differences in restaurant dining expectation and satisfaction will have great value.

The situation is an important factor in determining what evaluation standards are used. Situational factors also, affect satisfaction and loyalty ratings. Qualitative research could be conducted to get a better understanding of what happens during shopping experiences associated with a given situation and how this leads to satisfaction associated with a given situation over time.

The relationship between store image and satisfaction needs to be further explored. For example, trust, positive emotions or involvement can act as mediators between the two constructs.

Coyne (1990) argues that the relationship between loyalty and satisfaction is subject to two critical thresholds and he believes that this "twin threshold framework applies to a wide variety of service situations". In Coyne's (1990) view, the relationship is strong when customer satisfaction is low, moderate when customer satisfaction is intermediate and strong when customer satisfaction is high. Moreover, Oliva *et al.* (1992), argue that the relationship between service satisfaction and loyalty is non-linear, meaning that in the case that, satisfaction increases above a certain level, customer loyalty will increase rapidly. So, a research focus on the identification of these thresholds would help researchers and further enlighten this complex relationship.

Additional research is also needed on the interrelationship that exists between image and reputation. Although these two constructs are related, research should address the dynamics of the relationship.

Finally, store image is a dynamic measure. Definitely, an on going extension, development, refinement and modification of the scale under investigation could be a valuable tool both for researchers and marketing managers.

11. 7 Limitations

By its very definition, a rating scale requires respondents to convert qualitative judgements into a quantitative or semi-quantitative value: rating scales are reductionist, and such reductionism necessarily obscures the complexities of respondents' ratiocinative processes. The problem is especially acute in areas dealing with sensitive or emotive topics, or basic needs such as food preference and choice. According to Keaveney and Hunt (1992), store image is not a mirror image of objective reality, but contains biases, inaccuracies, opinions and feelings.

The development and testing of the measurement scale is in at initial stage. Because a store image scale has not been previously developed and used for the market under investigation, previous results with which, this dissertation findings could be compared are not available. So, there is a question whether research did capture all aspects of store image. However, findings from the scale comparison with previous studies show that the scale has similar qualities to the others. Of course, as there is still room for improvement, the results are limited to the study. It is hoped that the findings reported in this thesis will provide the ground for such a comparison in the future. The extent to which our findings may be extended to all retail categories remains to be explored.

Since in the scale development process, the first stage research was conducted on shoppers who mentioned the chain as their most preferred outlet, it is possible that this introduced a bias. However, this applies to all respondents and it may have little impact on the results from an analysis of differences between stores.

The non-random process using for selecting the samples might have introduced a selection bias (Burnett and Duemer, 1986). However, as argued by Calder *et al.* (1982), research progress does not require external validity for any single research study. Since the objective of the study was to develop a scale and test the hypotheses about the relationship between store image, satisfaction and loyalty, the major concern of the study was on internal validity and the use of this kind of samples was deemed appropriate.

The present research studied consumer attitudes only in two restaurant chains. However, the population of the restaurants can be representative of the total population eating at fast food premises. Furthermore, the results of association among the constructs used in the present study are consistently the same. As the replication of results increase confidence in the validity of the assumed relation, the selection bias may not be a serious problem in the study.

All our measures are paper and pencil measures and we lack the measures of actual buying behavior. Furthermore, the proximity of the questions might have led to cognitive consistency patterns and other demand characteristics or response bias. Also, the uniqueness of these items may have been correlated due to nuances in the items' wording (Gerbing and Anderson, 1984). The examination of content and face validity and the questionnaire pre-test reduced the bias.

Also the impact of demographics and economics on the store image evaluations has not been explored.

Further limitations of the research concern the exploration of the relationships between image measures as well as, satisfaction and customer loyalty measures.

Consumer satisfaction is situation specific (Oliver, 1981). So, the measurement of satisfaction will probably be a limitation. Also, situational aspects by themselves may moderate the effects of the scale. Store image assessment criteria may change across these scenarios and the dimension evaluations. For example a dimension may be more important when determines customer satisfaction or loyalty in a different situation. However, attitudes are less situational so store image scale's attributes cannot be influenced by situation factors.

Another potential problem arises from the use of single item dimension for satisfaction measurement (Cadotte *et al.* 1987). Richins and Dawson (1992) argued that single item measures are unsatisfactory from a reliability perspective. In this instance, some robustness of measurement was sacrificed for parsimony (Reardon *et al.* 1996).

The author is aware that the study concentrated on the positive outcome of a store evaluation: consumer satisfaction. However, further research might show that there is also a meaningful relationship between dissatisfaction and store loyalty (Bloemer and Kasper, 1995).

Finally, all constructs were measured at one point in time, thus essentially from a static perspective. It may be worthwhile to study store loyalty over time in order to be able to take into account the dynamics in consumer patronage behaviour. Should such approach be taken then measures of actual behaviour and store objective performance (e.g. switching behaviour, vulnerability to price competition, turnover, relative market share) in addition to perceptual gauges should be taken into account.

The author is aware of these limitations to the study and considers them to be potentially interesting opportunities for future research.

PERSONAL THOUGHTS

We have been told time after time that the future is global and virtual –and of course it is-. But we have not grasped that there is an opposite trend emerging, which may be just as powerful and which values what is local and what is real. In the present research, consumers mentioned that fast food companies should be more 'Greek'. I believe that consumers meant that they should be more authentic, more real.

In the past, fast food was a sign of modernism. In contrast, nowadays there is a growing consumer demand for real food, real stories real people. The latter reflect the demand for a meaningful way of living. The rise of farmers market, real ale, reading groups and organic vegetables are signs of the changing consumer. Also, a cultural trend against today's way of living, which focuses mainly on the meal experience, has arisen. It is the co-called 'Slow food' movement. The trend calls for 'enjoy the food', against fast food restaurants, against fast food way of living.

Consumers are powerful enough in a market economy to get it, which means big changes in the way business is carried out. If that is true, it implies that some of the favourite assumptions of 21st century business may have to be rethought.

However, consumers are human beings so, they change all the time. Preferences, perceptions, attitudes are changing day by day. What we know today may have not any meaning tomorrow. No research and no proposal can be a panacea for every problem. The consumer is not predictable. The only thing that a marketing manager should do is to try. And that is the glorious thing about marketing that we do not know we just try.

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APPENDIX 1

Group Profiles

Location	Group Profile	Date
Group 1 Thessaloniki	N=8 Female Age: 26-45 Young Parents	May 1998
Group 2 Thessaloniki	N=8 .6 Female 2 Male Age: 25-34 Singles	June 1998
Group 3 Thessaloniki	N=11 5 Female 6 Male Age: 19-24 Students	June 1998
Group 4 Thessaloniki	N=6 2 Female 4 Male Age: 16-19 High school students	June 1998

APPENDIX 2

FOCUS GROUP TOPIC GUIDE

FOR FAST-FOOD RESTAURANTS

INTRODUCTION

1. Introduction

-Introduction of respondents

-Explanation of process

-Commitment to confidentiality

CONSUMERS PERCEPTIONS AND ATTITUDES

2. Eating out.

-How often

-Places to eat out; Reasons

-Fast-food-what springs in mind

3. Product.

-Menu line of fast-food; preferences

-Taste

-Quality of food

-Purchases -Frequency

4. Place

-Expectations

-Pleasant place to eat

-Service

-Cleanness

-Family restaurant

-Convenience of location

Store image

5. Price.

-Value for money

-Reasonably priced products

-Promotion offers.

-Price expectations

6. Promotion.

-Perceptions of respondents

-Advertising

-Brand name

-Reputation

-Logo

-Signs

-Coupons

7. Others aspects of fast-food

-Helpful sales people

-Speed of service

-Orders filled with accuracy

-Status sign

8. Reasons for choosing a specific fast-food

-Differences among them

9. Occasions and Usage Situations

-Eat out with friends

-Special dinner

-Go for a special occasion (e.g. Birthday)

-After a show

-Eat on the road (e.g. weekends excursions)

-During a Shopping trip

-Family dinners.

10. Characteristics of fast-food consumers.

11. General concerns about Fast-food

-Perceptions

-Packaging

-Nutritional value of Fast-food products

-Donations to charities

-Standardization of the menu

-Loss of irrationality-Predictability

SUMMARY AND CONCLUSIONS

12. Summary of questions 2-10

13. Have we missed anything?

14. Advices

15. Comments from the participants

Appendix 3, 4

First Stage Questionnaire,

Second Stage Questionnaire

Questionnaire

Dear Mr, Ms,

I am going to show you some statements about your favourite fast-food restaurant. I would like to tell me the extent to which you agree with each one by giving me an agreement score.

The scoring system is explained in the example below

- **Explanation of scale numbers**

Meaning	Numbers
Strongly agree	7
Agree	6
Rather or mildly agree	5
Neither agree nor disagree	4
Rather or mildly Disagree	3
Disagree	2
Strongly disagree	1

Ticking below a number **1** means that you **Strongly Disagree** that XYZ has that feature and Ticking below a number **7** that you **Strongly Agree.** So the *bigger the score the more you agree!* You may tick any of the numbers in the middle to show how strong your feelings are. There are no right or wrong answers- please tick below a number that best shows how you feel about XYZ Fast-food restaurant (chain) **Store Image**

Example: You **rather Disagree** that XYZ restaurant offer tasty food, but **neither agree nor disagree** that the store has wide selection of food items so you tick (√) these items as shown below:

Rating→ Items↓	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1 XYZ offer tasty food	1	2	3√	4	5	6	7
2 XYZ has a wide selection of food items	1	2	3	4√	5	6	7

The information will be used for academic research only and will be treated as confidential.

Now please take a few minutes to complete the questionnaire. Thank you

Spyridon Mamalis: PhD Research Student, Dep of Agr. EC. And Food Marketing University of Newcastle Upon Tyne

How often do you visit a fast-food restaurant?

Never ☐

Rarely ☐

Once a month ☐

Two to three times a month ☐

Once a week ☐

Two to three times per week ☐

More than three times per week ☐

In which occasion do you visit a fast-food restaurant?

	Never	Rarely	Often	Very Often
Birthday/parties	☐	☐	☐	☐
After a night out	☐	☐	☐	☐
Lunch	☐	☐	☐	☐
For a snack	☐	☐	☐	☐
Dinner	☐	☐	☐	☐
Shopping	☐	☐	☐	☐
With my children/ grandchildren	☐	☐	☐	☐
With my friends	☐	☐	☐	☐
Date	☐	☐	☐	☐
To meet someone	☐	☐	☐	☐
When I travel	☐	☐	☐	☐
When I want to have something to eat fast.	☐	☐	☐	☐
Take away	☐	☐	☐	☐

Could you please answer some questions about the food of your favourite fast-food restaurant?

Rating→ Items↓	1 Strongly Disagree	2	3	4	5	6	7 Strongly Agree
A1.FOOD XYZ restaurant offer tasty food	1	2	3	4	5	6	7
A2.XYZ has a narrow selection of food and beverages	1	2	3	4	5	6	7
A3. XYZ Use Fresh ingredients	1	2	3	4	5	6	7
A4. XYZ offer High Quality products	1	2	3	4	5	6	7
A5. XYZ has appropriate packaging to keep food warm	1	2	3	4	5	6	7
A6. XYZ offer a variety of sweets and ice creams	1	2	3	4	5	6	7
A7.XYZ has a limited selection salad bar	1	2	3	4	5	6	7
A8. XYZ does not offer a vegetable men and menu for religious periods	1	2	3	4	5	6	7
A9. XYZ has a special kid menu	1	2	3	4	5	6	7
A10. XYZ food is not always fresh cooked	1	2	3	4	5	6	7
A11. XYZ has pleasant food presentation	1	2	3	4	5	6	7
A12. XYZ portion served is not enough for me	1	2	3	4	5	6	7

Could you please rate the service offered by your favourite fast-food restaurant

Rating→ Items↓	1 Strongly disagree	2	3	4	5	6	7 Strongly agree
B1 XYZ Rest. Offer in table Service	1	2	3	4	5	6	7
B2 XYZ staff are willing to correct errors	1	2	3	4	5	6	7

B3 There are limited waiting time and not big cues	1	2	3	4	5	6	7
B4 XYZ Staff are not very helpful	1	2	3	4	5	6	7
B5 Service is not reliable and consistent	1	2	3	4	5	6	7
B6 In XYZ you can eat like in other restaurants (cutlery plates etc)	1	2	3	4	5	6	7

Could you please rate the facilities and ambient of your favourite fast-food restaurant

	Strongly disagree						Strongly agree
Rating→ Items↓	**1**	**2**	**3**	**4**	**5**	**6**	**7**
C1. XYZ has a kindergarten	1	2	3	4	5	6	7
C2. In XYZ there is an appropriate place for parties	1	2	3	4	5	6	7
C3 XYZ cannot accommodate children	1	2	3	4	5	6	7
C4 XYZ has non-smoking space	1	2	3	4	5	6	7
C5 The design of the outlets is right for me	1	2	3	4	5	6	7
C6 XYZ stores are not always air-conditioned	1	2	3	4	5	6	7
C7 XYZ has clean dining area	1	2	3	4	5	6	7
C8 XYZ has not pleasant dining area	1	2	3	4	5	6	7
C9 XYZ's toilets are not always clean	1	2	3	4	5	6	7
C10 XYZ has clean kitchen	1	2	3	4	5	6	7
C11 XYZ has facilities for disabled people	1	2	3	4	5	6	7
C12 XYZ has pleasant atmosphere	1	2	3	4	5	6	7

Could you please rate the convenience of the Store

Rating→ Items↓	**1** Strongly disagree	**2**	**3**	**4**	**5**	**6**	**7** Strongly agree
D1. Convenient travel distance to find a XYZ Restaurant	1	2	3	4	5	6	7
D2 There is Ample parking spaces at XYZ	1	2	3	4	5	6	7
D3 Restaurant is open late hours	1	2	3	4	5	6	7

Could you please rate the advertising and sales incentive program of your favourite fast-food restaurant

Rating→ Items↓	**1** Strongly disagree	**2**	**3**	**4**	**5**	**6**	**7** Strongly agree
E1. XYZ advertising is not attractive	1	2	3	4	5	6	7
E2. XYZ has not promotional fares for food products	1	2	3	4	5	6	7
E3. XYZ price range is reasonable	1	2	3	4	5	6	7
E4. XYZ offer promotion coupons	1	2	3	4	5	6	7
E5. XYZ products do not carry value for money	1	2	3	4	5	6	7
E6. XYZ offer nice toys for kids	1	2	3	4	5	6	7
E7. XYZ has attractive in-store competitions	1	2	3	4	5	6	7

Could you please answer some questions about the local image of your favourite fast-food restaurant

Strongly disagree — Strongly agree

Rating→ Items↓	1	2	3	4	5	6	7
F1. XYZ food is closer to my culture diet	1	2	3	4	5	6	7
F2. XYZ ambient is reflective of the place	1	2	3	4	5	6	7
F3. XYZ offer food in the Greek way	1	2	3	4	5	6	7
F4. XYZ does not offer local specialities							
F5 The service is right for me as a Greek	1	2	3	4	5	6	7

Finally tell us your opinion about some other aspects of your favourite fast-food restaurant

Strongly disagree — Strongly agree

Rating→ Items↓	1	2	3	4	5	6	7
G1 XYZ is a nice place to go out	1	2	3	4	5	6	7
G2 XYZ has not good reputation	1	2	3	4	5	6	7
G3 XYZ is a place for children	1	2	3	4	5	6	7
G4 XYZ is a place for fun	1	2	3	4	5	6	7
G5 XYZ was the first to be opened	1	2	3	4	5	6	7
G6. XYZ is a not a place for teenagers	1	2	3	4	5	6	7

Demographics

Marital status

1	Single	☐
2	Married	☐

Number of children

1	*2*	*3*	*4*	*4+*
☐	☐	☐	☐	☐

Age

15-19 ☐ *19-25* ☐ *25-35* ☐ *35-45* ☐ *45+* ☐

	Male	*Female*
Gender	☐	☐

Education: Basic ☐ **High school** ☐ **University** ☐

Occupation

....

Monthly Income (Drachmas)

120.000	☐	120.000-200.000	☐
200.000-300.000	☐		
300.000-500.000	☐	500.000+	☐

Questionnaire

Dear Mr, Ms,

I am going to show you some statements about fast-food restaurants in Greece. I would like to tell me the extent to which you agree with each one by giving me an agreement score.

The scoring system is explained in the example below

- **Explanation of scale numbers**

Meaning	Numbers
Strongly agree	7
Agree	6
Rather or mildly agree	5
Neither agree nor disagree	4
Rather or mildly Disagree	3
Disagree	2
Strongly disagree	1

Ticking a number **1** means that you **Strongly Disagree** that XYZ has that feature and Ticking below a number **7** that you **Strongly Agree.** So the *bigger the score the more you agree!* You may tick any number between **1** and **7** to show how strong your feelings are. There are no right or wrong answers- please tick below a number that best shows how you feel about XYZ Fast-food restaurant (chain) **Store Image**

Example: You **Rather/Mildly Disagree** that XYZ restaurant offer tasty food, but **neither agree nor disagree** that the store has wide selection of food items so you tick (√) these items as shown below:

Rating→ Items↓	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1 XYZ offer tasty food	1	2	3√	4	5	6	7
2 XYZ has a wide selection of food items	1	2	3	4√	5	6	7

The information will be used for academic research only and will be treated as confidential.

Now please take a few minutes to complete the questionnaire. Thank you

Spyridon Mamalis: PhD Research Student, Dep of Agr. EC. And Food Marketing University of Newcastle Upon Tyne

Could you please answer the following questions?

How often do you visit a fast-food restaurant?

Never ☐

Rarely ☐

Once a month ☐

Two to three times a month ☐

Once a week ☐

Two to three times per week ☐

More than three times per week ☐

In which occasion do you visit a fast-food restaurant?

	Never	Rarely	Often	Very Often
Birthday/parties	☐	☐	☐	☐
After a night out	☐	☐	☐	☐
Lunch	☐	☐	☐	☐
Dinner	☐	☐	☐	☐
Shopping	☐	☐	☐	☐
With my children/ Grandchildren	☐	☐	☐	☐
With my friends	☐	☐	☐	☐
For a coffee	☐	☐	☐	☐
Date	☐	☐	☐	☐
To meet someone	☐	☐	☐	☐
When I travel	☐	☐	☐	☐
Take away	☐	☐	☐	☐

Which fast food restaurant is your favourite?

Goody's ☐ *Mc Donald's* ☐

What do you usually eat in a fast-food restaurant

	Never	*Rarely*	*Often*	*Very Often*
Burgers	☐	☐	☐	☐
Salads	☐	☐	☐	☐
Club sandwich	☐	☐	☐	☐
Ready Meals	☐	☐	☐	☐
Pasta	☐	☐	☐	☐
Chicken	☐	☐	☐	☐
Fish	☐	☐	☐	☐
Ice-creams	☐	☐	☐	☐
Sweets	☐	☐	☐	☐
Soft drinks	☐	☐	☐	☐
Beer	☐	☐	☐	☐
Wine	☐	☐	☐	☐
Juice	☐	☐	☐	☐
Other	☐	☐	☐	☐

Could you please answer some questions about the food in the fast-food Restaurants?

Strongly Disagree — Strongly Agree

Rating→ Items↓	1	2	3	4	5	6	7
Goody's use fresh ingredients for the food served	1	2	3	4	5	6	7
Mc Donald's use fresh ingredients for the food served	1	2	3	4	5	6	7
Goody's offer high quality products	1	2	3	4	5	6	7
Mc Donald's offer high quality products	1	2	3	4	5	6	7

Could you please rate the service offered by the following fast-food Restaurants

Strongly Disagree — Strongly Agree

Goody's staff are willing to correct errors in food orders	1	2	3	4	5	6	7
Mc Donald's staff are willing to correct errors in food orders	1	2	3	4	5	6	7
You do not have to wait long to be served at Goody's	1	2	3	4	5	6	7
You do not have to wait long to be served at Mc Donald's	1	2	3	4	5	6	7
Goody's staff are not very helpful/polite	1	2	3	4	5	6	7
Mc Donald's staff are not very helpful/polite	1	2	3	4	5	6	7
Service is not reliable and consistent at Mc Donald's	1	2	3	4	5	6	7
Service is not reliable and consistent at Goody's	1	2	3	4	5	6	7

Questionnaire

Could you please rate the facilities offered by the following fast-food Restaurants

	Strongly Disagree						Strongly Agree
Goody's has a nice/well managed kindergarten	1	2	3	4	5	6	7
Mc Donald's has a nice/well managed kindergarten	1	2	3	4	5	6	7
In Goody's there is an appropriate place for parties	1	2	3	4	5	6	7
In Mc Donald's there is an appropriate place for parties	1	2	3	4	5	6	7
Goody's cannot accommodate children	1	2	3	4	5	6	7
Mc Donald's cannot accommodate children	1	2	3	4	5	6	7
Goody's has non-smoking space	1	2	3	4	5	6	7
Mc Donald's has non-smoking space	1	2	3	4	5	6	7
Goody's stores are not always air-conditioned	1	2	3	4	5	6	7
Mc Donald's stores are not always air-conditioned	1	2	3	4	5	6	7
Goody's has a clean dining area	1	2	3	4	5	6	7
Mc Donald's has a clean dining area	1	2	3	4	5	6	7
Goody's does not have a pleasant dining area	1	2	3	4	5	6	7
Mc Donald's does not have a pleasant dining area	1	2	3	4	5	6	7
Mc Donald's offer facilities for disabled people	1	2	3	4	5	6	7
Goody's offer facilities for disabled people	1	2	3	4	5	6	7

Could you please rate the Promotion offered by the following fast-food Restaurants

	Strongly Disagree						Strongly Agree
Goody's price range is reasonable	1	2	3	4	5	6	7
Mc Donald's price range is reasonable	1	2	3	4	5	6	7
Goody's products do represent value for money	1	2	3	4	5	6	7
Mc Donald's products do represent value for money	1	2	3	4	5	6	7
Goody's offer nice toys for kids	1	2	3	4	5	6	7
Mc Donald's offer nice toys for kids	1	2	3	4	5	6	7
Mc Donald's has attractive in-store competitions	1	2	3	4	5	6	7
Goody's has attractive in-store competitions	1	2	3	4	5	6	7

Could you please rate the Image of the following fast-food Restaurants

	Strongly Disagree						Strongly Agree
Goody's food is closer to my culture diet	1	2	3	4	5	6	7
Mc Donald's food is closer to my culture diet	1	2	3	4	5	6	7
Goody's offer food in the Greek way	1	2	3	4	5	6	7
Mc Donald's offer food in the Greek way	1	2	3	4	5	6	7
The service is right for me as a Greek at Goody's	1	2	3	4	5	6	7
The service is right for me as a Greek at Mc Donald's	1	2	3	4	5	6	7
Goody's is a nice place to go out	1	2	3	4	5	6	7
Mc Donald's is a nice place to go out	1	2	3	4	5	6	7
Goody's is a place for fun	1	2	3	4	5	6	7
Mc Donald's is a place for fun	1	2	3	4	5	6	7

How dou you rate the general image of the restaurants?

Very unfavourable **Very favourable**

Goody's	1	2	3	4	5	6	7
Mc Donald's	1	2	3	4	5	6	7

How satisfied you are from the following fast-food restaurants?

	Very unsatisfied				Very satisfied
	1	2	3	4	5
Goody's	☐	☐	☐	☐	☐
Mc Donald's	☐	☐	☐	☐	☐

Loyalty

	Definitely would not				Definitely would
	1	2	3	4	5
How likely it is to repatronise the Goody's soon	☐	☐	☐	☐	☐
How likely it is to repatronise the McDonald's soon	☐	☐	☐	☐	☐

	Definitely would not				Definitely would
	1	2	3	4	5
Will you go more often to Goody's	☐	☐	☐	☐	☐
Will you go more often to McDonald's	☐	☐	☐	☐	☐

	Very unlikely				Very likely
	1	2	3	4	5
How likely is to Recommend Goody's to others.	☐	☐	☐	☐	☐
How likely is to Recommend McDonald's to others.	☐	☐	☐	☐	☐

Demographics

Marital status

1 Single ☐

2 Married ☐

Number of children

1	*2*	*3*	*4*	*4+*
☐	☐	☐	☐	☐

Age

15-19 ☐ ***19-25*** ☐ ***25-35*** ☐ ***35-45*** ☐ ***45+*** ☐

Gender

Male ☐ ***Female*** ☐

Education

Basic ☐ **High school** ☐ **University** ☐

Occupation

....

Income (drachmas)

120.000 ☐

120.000-200.000 ☐

200.000-300.000 ☐

300.000-500.000 ☐

500.000+ ☐